5 Populist nationalism, state-led development, and authoritarian regimes, 1939–1973

Until the mid-1930s the majority of the political classes of the Middle East espoused liberal projects of cultural and social reform and political and economic development that they expected would set their countries on what they understood to be the historical trajectory of France and England (Hourani 1962). These projects recruited peasants and workers to send their children to schools where they would learn to be productive citizens of secular nation-states, to work to build the national economy, and to participate in national political life on terms determined by their social betters. Higher wages, access to agricultural land, and other social issues were to be postponed in the name of the national cause. Liberal economics, politics, and culture were undermined by the depression of 1929–39, the impoverishment of the peasantry, the social demands of expanding urban working classes, the growth of an underemployed, young intelligentsia, the challenges of communism, fascism, pan-Arab nationalism, and Islamism, and the glaring discrepancies between liberal theory and Anglo-French imperial practice.

The nominally independent states formed in the former Ottoman Arab provinces exercised limited sovereignty. Iraq became independent in 1932, but the Anglo-Iraqi treaty of 1930 allowed British forces to remain...
as guardians of the oilfields and the imperial air route to India. The limits of Iraq’s independence were demarcated in the wake of the April 1941 coup d’état that installed Rashid ‘Ali al-Gaylani as prime minister and prompted the flight of the regent, ‘Abd al-Ilah, and the leading pro-British politician, Nuri al-Sa‘id. Al-Gaylani refused to declare war on Germany or break diplomatic relations with Italy, and he attempted to prevent the British from expanding their base at Basra. Consequently, British forces reoccupied Iraq, reinstated ‘Abd al-Ilah as regent, and restored the power of Nuri al-Sa‘id. The collaboration of the monarchy, the political elite, and the large landowning shaykhs with Britain increasingly discredited the regime.

The Anglo-Egyptian treaty of 1936 expanded the scope of Egypt’s independence but did not eliminate British preeminence. The prevailing relations of power were exposed by the infamous incident of February 4, 1942. As German troops advanced towards Alexandria, British tanks surrounded the royal palace, and the British ambassador demanded that King Faruq appoint the reliably anti-Nazi Wafd leader, Mustafa al-Nahhas Pasha, as prime minister. Collaboration with the British occupation, inability to enact a land reform, urban economic distress, and internal schisms diminished the Wafd’s popular appeal during the last ten years of the monarchy.

Despite the proclaimed anti-imperialism of the Socialist and Communist parties, the 1936–38 Popular Front government of France could not agree to grant independence to Syria and Lebanon or overcome colon opposition to extending the franchise to the 25,000 “evolved” Algerian Muslims who had adopted French culture. North African Star, the nationalist organization based among Algerian workers in France, criticized the proposal to extend the franchise as inadequate and demanded independence. Consequently, in January 1937, the movement was proscribed. Its tactically more moderate Algeria-based successor, the Algerian People’s Party, was also banned in 1939. Disappointment with the Popular Front’s colonial policy led two Syrian Sorbonne graduates, Michel ‘Aflaq and Salah al-Din al-Bitar, to form the circles of students who became the nucleus of the Ba‘th Party.

**Depression and world war: the beginnings of state-led industrial development and the growth of urban working classes**

The open economies imposed on the Middle East by the 1838 Anglo-Ottoman Commercial Convention remained in effect until the depression of the 1930s. Declining industrial production in Europe and North
America reduced exports to the Middle East and created space for development of local industry. Turkey, Egypt, and to a lesser extent other countries adopted state interventionist industrial policies and experienced counter-cyclical economic growth along with an increase in the number and social significance of urban wage workers.

Turkey’s new economic policy of state-led industrialization and autarkic development was embodied in the Five-Year Industrial Plan adopted in 1934. It featured a huge textile mill in Kayseri opened in 1935 with machinery and technical assistance provided by the Soviet Union and an iron and a steel complex established in 1938 with British financial assistance. Manufacturing output doubled from 1932 to 1939. A quarter of the production came from some twenty state-owned industrial and mining enterprises. Still, at the start of World War II, only about 10 percent of the labor force was employed in manufacturing, utilities, and mining (Keyder 1987: 110; Owen & Pamuk 1999: 18, 244).

Harsh labor-control measures accompanied state-led industrial development. Istanbul workers were fingerprinted in 1932. The Labor Laws of 1934 and 1936 established a corporatist regime modeled on Italian fascist legislation. Trade unions and strikes were banned. Instead of unions (sendika) workers were encouraged to form corporations (birlik). Class-based associations were banned in 1938 (Ahmad 1993: 99; Ahmad 1995: 92; Yavuz 1995: 100–01; Keyder 1987: 104).

Following the abolition of the Capitulations in 1937, Egypt enacted protective tariffs and initiated new industrial enterprises, including joint ventures with foreign firms. Except during the despotic Sidqi regime (1930–33), trade unions and workers’ collective actions were repressed less severely than in Turkey, though unions were not formally legalized until 1942. The Cairo suburb of Shubra al-Khayma became a center of the textile industry and radical, working-class collective action. In 1937–38, dissatisfied with the tutelage of the Wafd and Prince ‘Abbas Halim over the labor movement, Muhammad Yusuf al-Mudarrik and other trade unionists from the Shubra al-Khayma area founded the Commission to Organize the Workers’ Movement. The commission advocated trade union independence from party politics – an articulation of its aspiration to assert the autonomy of the working class as a social force.

World War II accelerated state-led industrial development and the growth of working classes. Revived European and North American manufacturing served Allied military needs and did not compete with nascent Middle Eastern industries. The Anglo-American Middle East Supply Center established in Cairo in 1941 encouraged local industrial development in order to reduce nonmilitary imports into the region.

Private entrepreneurs and the Allied forces employed local workers for
military production, transport, and auxiliary services, especially in Egypt and Palestine, the principal British bases in the Middle East. In late 1943, Allied forces employed 263,000 workers in Egypt. By 1945, in a nonagricultural wage labor force of approximately 2.5 million, there were some 623,000 industrial workers, including 165,000 still employed by Allied forces (Beinin & Lockman 1987: 260–61). The largest employer of urban wage labor in Palestine until World War II was the Palestine Railways; its Arab–Jewish workforce peaked at 7,800 in 1943. Consolidated Refineries in Haifa began production in 1940 and employed over 2,000 Arab, Jewish, and British manual and clerical workers. By 1944 there were 100,000 Arab non-agricultural wage workers, about 35,000 of whom were employed at British military bases along with 15,000 Jewish workers (Lockman 1996: 12, 267, 292, 351). Perhaps another 80,000 Arabs and Jews were employed in war-related activities (Owen & Pamuk 1999: 69).

Even in Saudi Arabia, war-related oil production brought a tiny working class into existence. The Arabian American Oil Company (ARAMCO) began production in 1939. After an initial cutback, output was expanded in 1943 to provide fuel for Allied forces in east Asia. Consequently, ARAMCO’s workforce grew from 2,882 in 1943 to 11,892 in 1945, including nearly 7,500 Saudi nationals (Owen & Pamuk 1999: 87).

As a neutral country, Turkey did not benefit from Allied-sponsored industrial development. Industrial and agricultural production dropped sharply during the war, while inflation soared. Social unrest was controlled by martial law and the National Emergency Law in 1940, which virtually militarized the economy. Workers in mining and industry were required to work overtime and forbidden to leave their workplaces. An eleven-hour day was imposed, even on women and children. Weekly days off were banned (Güzel 1995).

The Democrat Party (DP) regime of 1950–60 loosened the state’s grip on labor somewhat. In the 1950 election campaign the DP pledged to legalize strikes, but it failed to fulfill this promise (İşkı 1987: 315). With assistance from the American Federation of Labor and the International Confederation of Free Trade Unions, the DP encouraged the formation of the Confederation of Turkish Trade Unions (Türk İş – Türkiye İşçi Sendikaları Konfederasyonu) in 1952. The DP insisted that this be an apolitical, business union led by one of its supporters.

The peasant question

Rural poverty and inequitable distribution of agricultural land placed the peasant question on the agenda of local reformers and international
development agencies in the 1940s (Warriner 1948). In Egypt, Iraq, and Syria inability to enact land reform came to be considered a salient failure of the newly independent regimes. Land distribution was most inequitable in Algeria, but no reform was possible under colonial rule. Ironically, Turkey, which was least in need of an agrarian reform, was the first country to enact one, though it was not primarily directed at redistributing large holdings.

**Egypt: landed power and political paralysis**

In 1939, 53 percent of all rural households in Egypt neither owned nor rented land and subsisted solely on wage labor. By 1950, 60 percent of the rural population, 1.5 million families, was landless. Two million families, 72 percent of all landowners, held 13 percent of the land in plots of less than 1 faddan; about 12,000 families, less than 0.5 percent of all landowners, held 35 percent of the land in plots of over 50 faddans (Radwan & Lee 1986: 7).

Population pressure on agricultural land induced steady migration from the countryside to the cities. The combined population of Cairo and Alexandria, 1.24 million in 1917, rose to over 3 million by 1947 — over three times more rapid growth than that of the overall population. Only a small fraction of new urban dwellers found work in manufacturing.

Despite these appalling conditions, the political dominance of large landowners prevented land redistribution from receiving serious consideration in the 1930s. ‘A’isha ‘Abd al-Rahman, the first woman from a peasant background to attend Cairo University, worked with the Wafd on rural questions for a time and wrote two books bitterly protesting against the misery of the peasants (Bint al-Shati‘ 1936; Bint al-Shati‘ [1938]). Mirrit Ghali and Hafiz ‘Afifi, representing the views of “enlightened” landowners and industrialists respectively, published widely acclaimed calls for social reform (Ghali 1938; ‘Afifi 1938). All these manifestoes ignored or opposed redistributing agricultural land.

At the end of World War II, Mirrit Ghali altered his stand and endorsed agrarian reform as a way to direct capital from agriculture to manufacturing and commerce, deepen the domestic market, and ensure “economic independence and social dignity” (Ghali 1945: 9). Neither the minority governments of 1944–50 nor the Wafd regime of 1950–52 seriously considered this. The Wafd could not adopt policies inimical to landed interests because village headmen and local notables were the basis of its rural strength, and party strongman Fu’ad Sirag al-Din Pasha owned 8,000 faddans. No other significant political force took up the peasants’ cause. Ahmad Sadiq Sa‘d, a leader of the New Dawn communist group, wrote a
pamphlet advocating agrarian reform, but the Marxists concentrated their attention on urban workers (Sa’d 1945).

The preponderant power of landed wealth and lack of effective urban allies prevented peasants from organizing a coherent social or political movement. They did clash with landlords, local officials, merchants, tax collectors, and the police over rents, evictions, taxes, illegal drugs and arms, and water rights. Partial and unsystematically compiled reports indicate that there were twenty or twenty-one such collective actions from 1924 to 1936, and thirty-seven from 1944 to 1952: a marked increase in peasant collective action in the last twelve years of the monarchy compared to its first twelve years (Brown 1990: 128–47). Moreover, in the earlier period only five actions appear to have been aimed directly against landlords, while in the later period there were twelve openly anti-landlord actions. They were concentrated during the three successive upsurges of the nationalist movement: fall 1945 to July 1946; fall 1947 to May 1948; and mid-1951 to January 1952. During the Wafd regime of 1950–52, peasant collective actions increased sharply on large estates in the outer Delta, including several strikes demanding lower rents or higher wages. The minister of social affairs, Dr. Ahmad Husayn, reported “unmistakable signs of revolution” in the countryside (al-Ishtirakiyya, September 15, 1950, Quoted in Brown 1990: 108).

These words seem to anticipate the uprising on the al-Badrawi family estate (‘izba) at Buhut in June 1951. After an overseer attempted to collect extra rent, peasants marched to the al-Badrawi mansion to air their grievances. One of the al-Badrawis fired on the crowd. Peasants responded by torching the mansion and other estate property. This incident was especially politically salient because the al-Badrawis were the largest landowners in Egypt outside the royal family and were related by marriage to the minister of interior, Fu’ad Sirag al-Din Pasha.

*Iraq: tribal shaykhs, political elites, and rural poverty*

The British Mandate and the Iraqi monarchy encouraged the growth and legal recognition of a large landowning class comprised of shaykhs who privatized the holdings of their tribes and political elites who acquired large plots. The cropped area expanded nearly five times from 1913 to 1943 due to increased used of irrigation pumps, facilitated by a 1926 law that exempted crops on newly pump-irrigated land from taxes for four seasons. Installation of pumps allowed shaykhs and others with wealth to privatize state-administered (miri) land, and this was further encouraged by the land settlement laws of 1932 and 1938. By the 1950s, 72.9 percent of all landholders held only 6.2 percent of the agricultural land in small
plots of less than 50 *dunums*, while 55.1 percent of all privately held agricultural land was held by less than 1 percent of all owners in large plots of over 1,000 *dunams*. Some 600,000 rural household heads out of a total rural population of 3.8 million were landless. Property holding was most concentrated in the southeastern provinces of Kut, ‘Amara, and other regions where irrigation pumps and barrages had recently been introduced and tribal social relations remained strong (Batatu 1978: 54–56; Farouk-Sluglett & Sluglett 1987: 31–32). There were five peasant revolts in these areas from 1952 to 1958, though we know little about them (Haj 1997: 162).

Landless peasants, especially from ‘Amara, migrated to Baghdad and Basra. From 1947 to 1957 the population of greater Baghdad increased from 515,000 to 793,000. In the early 1950s some 92,000 recent migrants to Baghdad lived in 16,400 huts made from palm branches (*sarifas*). Many impoverished *sarifa* dwellers from ‘Amara found employment in the Baghdad police force. Hence, they found themselves representing the popular uprisings of January 1948 and November 1952 in which many of their compatriots participated prominently (Batatu 1978: 133–36; Farouk-Sluglett & Sluglett 1987: 34).

**Syria: large landlords and peasant politics**

French mandatory rule in Syria accelerated trends that had begun earlier and encouraged the consolidation of a large landholding class by abolishing tax farming, strengthening private property rights, and fostering a pro-French landed elite. The expanded use of mechanical pumps and tractors from 1948 to 1952 and the cultivation of cotton on the middle Orontes River forced many sharecroppers off the land and turned them into seasonal workers (Batatu 1999: 129). By the early 1950s, owners of plots of more than 100 hectares constituted less than 1 percent of the agricultural population but held half the cultivable area, while 60 percent of the agricultural population owned no land at all (Hinnebusch 1989: 88, 119–20). Substantial peasant ownership of small plots of 10 hectares or less persisted in the provinces of Hawran (47 percent of the land), Latakia (32 percent), and Jabal Druze (30 percent). At the other end of the spectrum, 56 percent of the land in Hama province was held in plots of over 100 hectares, while only 2 percent was held in plots of 10 hectares or less. Small and medium peasants held the majority of land around Damascus, Aleppo, and Homs. Large landowners were less entrenched in Syria than in Egypt and Iraq, but they formed the most powerful economic interest group and the largest bloc of parliament members during the Mandate and the first decade of independence (Gerber 1987: 97, 101).
The extreme concentration of agricultural land in the Hama region in the hands of the Barazi, ‘Azm, and Kaylani families motivated the formation of an exceptional peasant-based political movement (Batatu 1999: 124–30). In 1939 a pan-Arabist lawyer from Hama, Akram Hawrani, formed the Youth Party (Hizb al-Shabab). The other founding party leaders were also members of the urban new middle class, but peasants were its main supporters. In 1943, the party adopted a radical pro-peasant, anti-landlord orientation expressed by its slogan “Fetch the Basket and Shovel to Bury the Agha and the Bey.” Some 800 party members volunteered to fight in the 1948 Arab–Israeli War. Hawrani returned from Palestine convinced that “feudalism” was the cause of the Arab defeat and that the agrarian question and the Arab national cause were closely linked. The party marked its transformation into the Arab Socialist Party (ASP) in 1950 by convening a peasant congress in Aleppo attended by at least 40,000 people. The ASP’s 10,000 members included sunni and Christian horticulturalists and sharecroppers from Hama and other regions, ‘Alawis, and Druze, making it an all-Syrian class-based peasant party. The ASP supported direct parliamentary elections and a secret ballot so landlords could not intimidate peasant voters; it also used violence against landlords who abused their sharecroppers. In 1952 the ASP merged with the Ba’th Party. Though only eighty leading ASP members formally joined the Ba’th, Hawrani’s peasant followers remained loyal to him and lent a popular character to the Ba’th, which had had a very limited and primarily student following until then.

**Algeria: colons and landless peasants**

The distribution of agricultural land was most inequitable and the status of peasants most dire in Algeria. By 1954 some 22,000 French landowners held over 2.7 million hectares of the best land, the great majority in large plots of over 100 hectares. The 631,000 Muslim landowners held almost 7.7 million hectares, mostly in small and medium-sized plots of 50 hectares or less. As grapevines replaced wheat as the leading crop, landless peasants shifted from sharecropping in wheat to wage labor in viticulture, which required five times more work days per hectare than wheat. This created a large, seasonally employed, agrarian semi-proletariat whose numbers peaked at 571,000 in 1954 (Bennoune 1988: 61–62; Wolf 1968: 231).

Underemployment of the rural population accelerated migration to Algiers, Oran, and other cities. Between 1936 and 1954 the total number of urban Muslims rose from 722,800 to 1.6 million. Many peasant migrants who failed to find work in the cities continued on to France,
especially after the 1947 legislation permitting free movement between Algeria and France. The annual number of Algerian migrants peaked at nearly 202,000 in 1955, when there was a total of 400,000 Algerian workers, mostly former peasants, in France (Bennoune 1988: 69, 77–78).

Turkey: peasant family farms and rollback of Kemalism

Unlike the Arab countries, 72.6 percent of Turkish agricultural holdings were owner operated in 1950, rising to 85.3 percent in 1963. Most of these were peasant family farms of less than 10 hectares (Margulies & Yıldızoğlu 1987: 276, 283). The Land Distribution Law of 1946 permitted redistribution from large to small owners. But the great majority of the 3.15 million hectares distributed to small holders and landless peasants between 1947 and 1959 consisted of state lands and communal pastures. Marshall Plan aid financed the importation of tractors and other machinery, which primarily benefited rich peasants and large landowners. Land distribution and mechanization increased the cropped area by 55 percent, which contributed to the spurt of growth in agricultural production from 1947 until the end of the Korean War in 1953 during which both peasant family farms and large landowners prospered (Hansen 1991: 341; Owen & Pamuk 1999: 106–10). These favorable conditions allowed the Democrat Party to leaven its pro-business, agriculture-led economic policy with a certain populism. Seeking to roll back Kemalism, the DP ended the most substantial intervention of the state in village life: the village institutes established in 1940 to instruct peasants in secular modernity (Ahmad 1993: 83–84). Hence, the DP was popular among peasants despite its pro-business outlook.

Declining crop prices after the Korean War and hopes for a better life in the city led one out of ten Turkish villagers to migrate to an urban area from 1950 to 1960. The size of the four largest cities increased by 75 percent, and urban dwellers grew to 26 percent of the total population (Keyder 1987: 137). In the early 1960s some 45–60 percent of the population of Ankara, Istanbul, and Adana and 33 percent of the population in Izmir lived in squatter settlements known as *gecekondus* (Karpat 1976: 11).

Nationalism and urban social radicalism

The prominence of the Soviet Union in the international anti-fascist coalition brought Marxism to the attention of many intellectuals in the 1930s and 1940s. The concepts of class, exploitation, and imperialism offered a plausible explanation for the dismaying conditions of peasants and urban working classes and the collaboration of large landowners and
other elites with European political and economic domination. Allied wartime promises raised expectations for a postwar era of independence and economic development. Coalitions of intellectuals and urban workers infused postwar demands for independence with a new social radicalism. In addition to Palestine, Egypt, and Iraq which are discussed here, there were comparable developments in Sudan and Iran (Warburg 1978; Abrahamian 1982).

Palestine: Marxism and national conflict

The Palestinian Communist Party (PCP) spoke in the name of both the Arab and Jewish working classes and sought to provide an alternative to the contending nationalisms. Opposition to Zionism and the leadership of the Arab Higher Committee marginalized the party in both communities, and Arab–Jewish unity was badly strained by the 1936–39 Arab Revolt. The growth of the Arab working class during World War II allowed Marxism to become a significant force in the Arab labor movement, while the Soviet Union’s leading role in the anti-Nazi struggle after 1941 made it attractive to a larger Jewish audience than before.

There were four trade union organizations in Palestine in the 1940s. The Histadrut was the central institution of labor Zionism and the entire Jewish community and the vehicle for implementing the labor Zionist policy of promoting exclusively Hebrew labor. It included the great majority of Jewish workers except known communists, and many non-workers as well. Inspired by the labor Zionist notion that Jewish settlement would bring economic development to Palestine and liberate Arab society from domination by the landed notables, the Histadrut tried half-heartedly to organize Arab workers in the Palestine Labor League (Ittihad ‘Ummal Filastin/Brit Po‘alei Eretz Yisra’el). Some Arab workers cooperated with the Histadrut in certain circumstances. Even they were justifiably suspicious that it would eventually seek to place Jews in their jobs.

The Palestine Arab Workers’ Society (PAWS – Jam‘iyyat al-‘Ummal al-‘Arabiyya al-Filastiniyya) was established in Haifa in 1925. Its core was comprised of the Arab members of the short-lived Arab–Jewish railway workers’ union who left the joint organization when the Jews refused to sever their ties with the Histadrut. In 1942, new branches were established, some led by communists and other leftists who preferred to remain in the PAWS despite its conservative social orientation and the undemocratic leadership of Sami Taha. The nominal national membership of the PAWS in the mid-1940s was about five thousand, though less than five hundred paid dues.
In 1942 young Marxist intellectuals led by Bulus Farah, who had recently been expelled from the PCP for his nationalist views, established the Federation of Arab Trade Unions and Labor Societies (FATULS – Ittihad al-Niqabat wa’l-Jam‘iyat al-‘Arabiyya). By the end of the year, it recruited 1,000–1,500 members, including workers in the Haifa-area petroleum sector, the Haifa port, and the British military camps. Thus by 1943 Marxists led much of the organized Arab working class.

The cost-of-living index rose from 100 in 1936 to 103 in 1939, 269 in 1943, and 295 in 1945, sharply eroding real wages. Government workers received a cost-of-living allowance (COLA) in late 1941. This proved inadequate as prices continued to rise. Wages and working conditions at the British military bases were worse than average, and the camp workers did not receive the COLA. In April 1943 the Histadrut began competing with the PAWS to organize and speak for both Jewish and Arab camp workers. The Histadrut decided not to cooperate with the PAWS and unilaterally proclaimed a strike on May 10 to obtain the COLA. Thousands of Arab workers joined the strike, but the majority refused to follow the Histadrut’s leadership and responded to the PAWS appeal not to strike. The issue of Arab–Jewish cooperation faded away in June when the government announced that it would grant a new COLA that would apply to camp workers.

The May 10 camp workers’ strike was the proximate cause of the demise of Arab–Jewish unity in the PCP. Arab communists active in the PAWS, in accord with party policy, tried to convince the Arab workers not to strike. Most Jewish communists, though critical of its unilateral action, sought to rejoin the Histadrut and refused to ask Jewish workers to break the strike.

The camp strike and the dissolution of the Comintern the same month encouraged young Arab intellectuals in the PCP influenced by Bulus Farah to assert a more national orientation. They provoked a split by distributing a leaflet describing the PCP as an “Arab national party.” By early 1944, most Arab Marxists regrouped in a new Arab organization – the National Liberation League (NLL – Usbat al-Taharrur al-Watani), which adopted as its organ the previously established weekly of the FATULS, al-Ittihad (Unity). The NLL was a social movement representing the young, mostly Christian intelligentsia and the nascent working class: social strata that were marginal to the existing Palestinian Arab political system. Its program advocating working-class social demands, democracy, and national liberation was a common post-World War II communist strategy.

Both the FATULS and the left wing of the PAWS supported the NLL. When Sami Taha attempted to dictate the composition of the PAWS del-
egation to the founding congress of the World Federation of Trade Unions in August 1945, the left wing of the PAWS joined with the FATULS in forming the Arab Workers’ Congress (AWC – Ittihad al-‘Ummal al-‘Arab), which quickly became the largest and most important Arab labor organization in Palestine. It claimed 20,000 members in 1945 and was the leading Arab union federation in Jaffa, Gaza, Jerusalem, and Nazareth. In Haifa, it challenged the historic primacy of the PAWS. Two AWC leaders – Fu’ad Nassar, the former head of the Nazareth PAWS branch, and Khalil Shanir, a veteran communist and former head of the Jaffa PAWS branch – joined the NLL central committee.

Because of the internationalist background of many of its leaders, the AWC was amenable to joint action with the Histadrut on economic issues. In September 1945, the two unions organized a seven-day strike of 1,300 workers at the British military workshops outside Tel Aviv. They demanded union recognition, payment of the COLA, relaxation of disciplinary rules, and rehiring of unjustly fired workers. Arab and Jewish strikers established picket lines at the work site and marched through Tel Aviv chanting in Arabic and Hebrew, “Long live unity between Arab and Jewish Workers.”

The partial success of this strike encouraged the Histadrut to collaborate with the AWC in addressing the demands of the camp workers. The PAWS was stronger than the AWC among the Arab camp workers and less inclined to work with the Histadrut. But prompted by the announcement of a new round of layoffs, the three unions agreed to call a one-day strike of the 40,000 workers on May 20, 1947. The Histadrut leaders declined further joint action because they feared that a protracted strike might advance the Arab nationalist cause just as the United Nations Special Committee on Palestine was due to arrive in the country. They believed Sami Taha was an ally of the exiled titular head of the Arab Higher Committee, al-Hajj Amin al-Husayni.

In fact, a rift between Taha and al-Husayni had been developing since late 1946, when the PAWS adopted a resolution endorsing a vague socialism. Taha had begun to speak about forming an Arab labor party and to explore the possibility of a compromise with the Zionists. On September 12, 1947 he was assassinated. The assailant was never identified but was widely presumed to be acting on behalf of Amin al-Husayni.

The AWC and the NLL were severely weakened by splits in the wake of the Soviet Union’s support for the UN proposal to partition Palestine into an Arab and a Jewish state. Unlike all the other Arab political forces, the NLL recognized the civic rights of Jews in a future democratic state of Palestine and distinguished between Zionism and the Jews of Palestine. But it envisioned a unitary state whose character would be determined by
the fact that there was a large Arab majority in Palestine up to 1948. The split over the partition question, the closure of al-Ittihad by the British authorities in 1948, and the expulsion and flight of over 700,000 Palestinian Arabs during 1947–49 incapacitated the AWC and NLL. The left-national movement they promoted was too young and the Arab–Jewish working-class solidarity they aspired to build too limited to withstand the force of the Arab–Zionist conflict.

Egypt: the rise and limits of working-class radicalism

Towards the end of World War II, some 250,000 Egyptian workers were dismissed from war-related jobs. Unemployment was exacerbated by sharp fluctuations in production and intensified mechanization in the textile industry. The cost-of-living index rose from 100 in 1939 to 331 in 1952, and real wages did not keep pace. These conditions, along with the escalating agrarian crisis, the military defeat in Palestine, the debauchery and corruption of King Faruq, and the continuing British occupation informed the amalgam of radical trade union and nationalist mobilization that contributed to the demise of the monarchy.

By 1942, the Shubra al-Khayma textile workers’ union, led by Taha Sa’d Uthman, Mahmud al-’Askari, and their allies in the future New Dawn communist group, established itself as the most militant and politically independent-minded group of Egyptian workers. In September 1945 the textile union leaders, along with Muhammad Yusuf al-Mudarrik and the labor lawyer Yusuf Darwish, founded the Workers’ Committee for National Liberation (Lajnat al-Ummal lil-’Ummal lil-Tahrir al-Qawmi) and a newspaper, al-Damir (The Conscience). Alarmed by these developments, the police and army instituted heavy patrolling of Shubra al-Khayma in mid-December, precipitating a nine-day strike in January 1946 that targeted both the government and continuing layoffs in the textile industry. The Society of Muslim Brothers challenged the leadership of the Marxists and their allies during this strike and afterwards. Despite support from the government, they achieved only limited and temporary successes.

A police attack on a student demonstration demanding evacuation of British troops on February 9, 1946 prompted the formation of the National Committee of Workers and Students (NCWS – al-Lajna al-Wataniyya lil-’Ummal w’al-Talaba) – a coalition supported by the communist groups – New Dawn, Iskra, and the Egyptian Movement for National Liberation (EMNL – al-Haraka al-Misriyya lil-Tahrir al-Watani) – and the radical wing of the Wafd, the Wafdist Vanguard. The NCWS called for a general strike and demonstration on February 21,
1946, designated as “Evacuation Day.” Thousands of workers from Shubra al-Khayma joined a crowd estimated at between 40,000 and 100,000 in the Cairo demonstration.

The fusion of radical trade unionism and militant nationalism embodied in the NCWS inspired efforts to establish a national trade union federation. After some initial factional contention, trade unionists linked to the EMNL and New Dawn agreed to join forces, just as a second strike broke out at some nineteen textile mills in Shubra al-Khayma in May 1946. The united federation, the Congress of Trade Unions of Egypt (Mu’tamar Niqbat ‘Ummal al-Qatr al-Misri), called for a general strike on June 25 to support the Shubra al-Khayma strikers and to demand a government campaign against unemployment, restoration of all fired workers to their jobs, and immediate evacuation of all British forces from the Nile valley. This was far more than a newly formed, Cairo-centered organization could realistically attain. Isma’il Sidqi Pasha had been reappointed prime minister in February with the understanding that he was to crush the working-class and nationalist upsurge. When the labor radicals overextended themselves, he struck. On July 11 he arrested the labor federation leaders and proscribed all the left and labor periodicals and associations, including the nascent trade union federation.

Despite this setback, a new wave of labor and radical nationalist collective action began in the fall of 1947 after the Sidqi–Bevin talks failed to renegotiate the 1936 Anglo-Egyptian treaty. The most dramatic event of this period was the strike of the 26,000 workers at the Misr Spinning and Weaving mill in al-Mahalla al-Kubra in September 1947 in response to layoffs and the harsh and paternalistic regime of labor control. This upsurge was ended by the declaration of martial law on May 13, 1948, two days before the Egyptian army invaded Palestine.

From mid-1951 until January 1952 suburban Cairo textile workers once again emerged as the center of gravity of the radical current in the workers’ movement. Their most prominent leaders, Muhammad ‘Ali ‘Amr and Muhammad Shatta, were members of the Democratic Movement for National Liberation (DMNL – al-Haraka al-Dimuqratiyya lil-Tahrir al-Watani), formed by the merger of Iskra and the EMNL in 1947. Communists also established themselves in other sectors, including the Congress of Egyptian Joint Transport Drivers’ and Workers’ Unions founded in June 1951 and led by DMNL members Hasan ‘Abd al-Rahman and Sayyid Khalil Turk. Trade union and nationalist struggle converged once again when the 71,000 workers employed at the British base in the Suez Canal Zone went on strike to support the Wafd government’s abrogation of the 1936 Anglo-Egyptian treaty on October 8, 1951.

In this atmosphere of popular mobilization, DMNL trade union
leaders formed the Preparatory Committee for a General Federation of Egyptian Trade Unions (PCGFETU – al-Lajna al-Tahdiriya lil-Ittihad al-‘Amm li-Niqbat ‘Ummal Misr). This effort to build a national trade union federation by promoting working-class-inflected nationalism won the DMNL many new allies. By December, 104 unions with nearly 65,000 workers – nearly half of all union members – adhered to the PCGFETU. The organization planned a founding congress for a national trade union federation on January 27, 1952. The Cairo fire of January 26 and the proclamation of martial law prevented the conference from convening and signaled the impending end of the monarchy.

The DMNL was the only communist group to support Gamal ‘Abd al-Nasir and the Free Officers who overthrew the Egyptian monarchy on July 23, 1952, but its hope to exercise influence over the new regime was quickly disappointed. The Free Officers’ first act in the realm of economic and social policy was to suppress the strike of textile workers at Kafr al-Dawwar in August 1952 and hang two of its leaders. ‘Abd al-Nasir refused to allow the founding congress for a national trade union federation to convene until 1957, after several campaigns of arrests eliminated communists from most of their positions of influence in the trade unions.

**Iraq: communism and the end of the monarchy**

The number of Iraqi industrial and transport workers employed in enterprises of one hundred or more increased from 13,140 in 1926 to 62,519 in 1954, or 375 percent. Over half of them were employed in greater Baghdad or Basra. Maldistribution of oil wealth augmented normal wartime inflation, making the gap between the wealthy few and the poor majority exceptionally wide. From 1939 to 1948 the price-of-food index rose 805 percent, while average wages of unskilled workers increased only 400 percent. Salaries of civil servants, teachers, clerks, journalists, and army officers also lagged far behind the rate of inflation. These rapidly growing sectors of the urban population, along with students, formed the base of support of the Communist Party of Iraq (CPI). Led by Yusuf Salman Yusuf (Fahd), the CPI became the only truly national political party and the best-organized force in the trade union movement in the 1940s.

Twelve of the sixteen trade unions legalized during 1944–46 were led by the CPI. The largest and most important of these, the Railway Workers’ Union, enrolled a third of the 10,800 railway workers; its president was the communist locomotive driver ‘Ali Shukur. On April 15, 1945 most of the 1,265 workers at the Schalchiyya railway workshops in Baghdad and some workers outside the capital struck the British-
managed Railway Directorate demanding a 30–50 percent wage increase. The strike committee was arrested and the union suppressed, but the workers won wage increases of 20–30 percent. Lack of a recognized union did not deter the railway workers from responding to further strike calls from the CPI on February 27, 1946 and three times in March–May 1948.

The 3,125 members of the Basra Port workers’ union, 60 percent of the total workforce, were led by the communist ‘Abd al-Hasan al-Jabbar. They struck for five days in May 1947, demanding higher wages. The government responded by dissolving the union and arresting the leadership. The union was broken after three additional strikes in April–May 1948.

The oil industry employed 12,750 blue- and white-collar workers in 1946. After their request to form a union was denied, a committee led by four communist workers organized a strike on July 3, 1946. Some 5,000 workers, most of the local labor force, marched peacefully through Kirkuk on July 4. On July 12, mounted police attacked workers who had gathered in a garden to hear news of the strike, killing ten and wounding twenty-seven. This unprovoked police attack radicalized the oil workers even though they received a daily wage increase from 200 to 310 fils, and the CPI’s organizational capacity was weakened by the arrest of the strike committee.

Leadership of these strikes prepared the CPI to play a major role in the largest popular insurrection of the monarchy: the *wathba*, or leap, of January 1948. As in Egypt, British refusal to accept full Iraqi independence combined with urban social distress to forge a coalition of students and workers. On January 16, 1948 the Portsmouth Agreement, extending the presence of the British air bases in Iraq, was announced. The Student Cooperation Committee, led by communists and supported by the other opposition forces, responded with three days of strikes and demonstrations. On January 20 the students were joined by the Schalchiyya railway workers and poor migrants to Baghdad from ‘Amara and the southeast. Police fired on the demonstrators, who returned the next day to face the bullets once again. The massive popular response forced the regent’s renunciation of the Portsmouth Agreement and the resignation of the prime minister.

The social mobilization of the *wathba* continued with a strike of over 3,000 oil workers at the K3 pumping station near Haditha in April 1948. They demanded wage increases of 25–40 percent. After striking for three weeks, the workers, led by the CPI, began to march towards Baghdad on May 12. They were warmly supported by the people of Hit and Ramadi. At Falluja, some 70 kilometers from Baghdad, the police intervened and arrested the strikers. Despite its failure, the Great March became a legend
in Iraqi politics and enhanced the CPI’s prestige among workers and other opponents of the regime.

The CPI was seriously weakened by successive waves of repression in the 1950s. Nonetheless, it retained sufficient strength to participate in the nationalist upsurges of 1952 and 1956. It was a key component of the civilian coalition that supported the Free Officers led by ‘Abd al-Karim Qasim who overthrew the monarchy on July 14, 1958.

**Armed struggle in Algeria and Yemen**

The post–World War II Algerian nationalist movement differed from those of Palestine, Egypt, and Iraq due to its peasant base, the marginal role of communists, and the armed struggle. North African Star and its successors infused Algerian nationalism with a strong working-class, Marxist-influenced element. Its leader, Messali Hadj, never joined the National Liberation Front (FLN), which launched the armed struggle for independence on November 1, 1954, though most of his followers did.

The dire situation of peasants and agricultural wage workers impelled the radical orientation of Algerian nationalism. Even the relatively moderate Manifesto of the Algerian People drafted by Ferhat Abbas after the Allied landing in North Africa in November 1942 demanded “the abolition of feudal property by a major agrarian reform and the right to well being of the immense agricultural proletariat” (Ruedy 1992: 146). The political program formulated by the FLN at its Soummam Valley Congress in 1956 endorsed agrarian reform and a vague commitment to socialism. To the extent that the FLN’s armed struggle succeeded, it was a peasant-based movement.

Workers’ economic struggles became a component of the nationalist movement because most employers were colonists. In response to the refusal of the communist-affiliated trade union federation to address the national demands of Muslim Algerian workers, Messali Hadj founded a nationalist union federation in February 1956. The next month the FLN established the Union Générale des Travailleurs Algériens (UGTA), seeking to outflank its rival. The UGTA functioned as the legal urban arm of the FLN, though its leadership was more consistently left wing. It organized a general strike in January 1957 to coincide with the debate on Algeria at the UN. After the FLN defeat in the Battle of Algiers, the UGTA went underground, and its leadership went into exile. It remained neutral in the factional violence that tore the FLN apart as it came to power at the end of the French colonial regime in 1962 (Alexander 1996a: 61–62).

The South Yemeni struggle against British colonial rule is the only other case of a successful armed struggle against colonial rule. Urban
workers were more prominent in South Yemen than in Algeria, and the post-colonial regime was more firmly committed to socialism. The Aden Trades Union Congress, formed in 1956 with twenty-five constituent unions, combined trade union and nationalist struggle. It supported the armed struggle that began in 1963 and ousted the British from South Yemen in 1967; and it was a champion of the socialist policies of the People’s Democratic Republic of Yemen (Murshid 1981).

Post-colonial, authoritarian-populist regimes

The grievances and collective actions of workers, peasants, and their allies among the intelligentsia popularized the notion that truly independent national governments would serve the needs of workers and peasants. Except in Algeria and South Yemen, they were not the decisive forces that dislodged the colonial and semi-colonial regimes and the structure of landed power. In the monarchies of Egypt and Iraq and the newly independent republic of Syria, in which the landed classes remained dominant, the old regimes were overthrown by army officers, many of whom, especially in Syria, had their roots in rural areas. Even in Algeria, the regular armies based in Morocco and Tunisia during the revolutionary war, not the peasant-based guerrillas, became the dominant power after independence.

Egypt under Gamal ‘Abd al-Nasir, Syria under several military regimes, especially Ba‘th rule since 1963, Iraq after the Free Officers’ overthrow of the monarchy in 1958, and independent Algeria were authoritarian-populist regimes speaking in the name of “the people,” “the toilers,” or the “popular classes.” The political discourse of these regimes was infused with the vocabulary of class, exploitation, and imperialism drawn from the Marxist lexicon. Like similar ideologies in Africa and Latin America, Nasirism, Ba‘thism, and other varieties of Middle Eastern authoritarian-populism rejected the notion of class struggle in favor of corporatism. Trade union and peasant federations were linked to the state apparatus. Collective actions of workers and peasants that exceeded authorized boundaries were quashed. The magnanimity of the state, not popular initiative, was the source of improvements in the standard of living and social status of workers and peasants.

The key economic and social policies of these regimes were state-led development, agrarian reform, import-substitution industrialization, and social benefits for workers and white-collar employees in a greatly expanded public sector – a package commonly designated “Arab socialism.” This was often accompanied by a commitment, if only rhetorical in many cases, to pan-Arab nationalism. This political orientation became
so popular that even Tunisian president Habib Bourguiba, distinguished by his pragmatic pro-western views, authorized a “socialist experiment” during the 1960s, albeit with a rather anti-labor and pro-business, pro-landowner orientation.

Because of the absence of a colonial past, political currents in Turkey differ from those in the Arab countries, but its course of economic development after 1960 is comparable. Economic growth stalled after the Korean War, and the Democrat Party was compelled to adopt some statist measures. A coup by junior army officers on May 27, 1960 reinstated state-led, import-substitution industrial development and economic planning. The 1961 constitution guaranteed workers’ rights to unionize, to strike, and to engage in collective bargaining for the first time. Nearly 300,000 of the 869,000 eligible workers were union members at this time (İşiklı 1987:316). The more permissive atmosphere allowed the formation of the Turkish Labor Party (TLP – Türkiye İşçi Partisi) in 1961, though the Communist Party remained illegal.

**Land reform in Egypt, Syria, Iraq, and Algeria**

The coup of July 23, 1952 ended the Egyptian monarchy and was popularly legitimized by the land reform enacted in September 1952. The law set a rather high ceiling of 200 *faddans* on land ownership (300 for a family), gradually reduced to 50 *faddans* (100 for a family) by 1969. Accompanying measures – an agricultural minimum wage, tenancy reforms, and limiting agricultural rents to seven times the land tax – probably contributed more than land redistribution to raising peasants’ standard of living. The reform was substantial, but not revolutionary. It broke the political power of the large landowners. But their property was not expropriated, and the agrarian system continued to be based on highly unequal distribution of privately owned land. Large owners were allowed to sell all their lands over the limit. The buyers were primarily middle and rich peasants, whose numbers increased as a result of the reform. After the 1952 reform, 94.4 percent of landowners held 46.6 percent of the land in plots of less than 5 *faddans*; 0.4 percent of owners held 20.3 percent of the land in plots of 50 *faddans* or more. About 15 percent of the cultivable land was redistributed, and the landless rural population was reduced from 60 percent in 1950 to 43 percent in 1970. The share of the agricultural income received by wage workers and owners of less than 5 *faddans* doubled. Government-sponsored cooperatives replaced large landowners in organizing production and marketing, providing credits, and supplying seeds and fertilizers (Abdel-Fadil 1975; Hinnebusch 1985: 27; Radwan & Lee 1986: 8–9).
Land reforms in Syria and Iraq had similar social and political effects, though somewhat more land was confiscated from large owners. Syria enacted a modest land reform after joining with Egypt in the short-lived United Arab Republic (1958–61). The Ba‘th regime that came to power in 1963, and even more so the radical Ba‘th rule of 1966–70, reduced the ceilings on ownership, accelerated the pace of reform, and ultimately confiscated 22 percent of the cultivated land. Large landowners retained 15 percent of the cultivated area, including much of the best land (Hinnebusch 1989: 87–100; Batatu 1999: 29–37, 162–70).

The Iraqi land reform of September 1958 limited individual holdings to a generous 1,000 dunums of irrigated or 2,000 dunums of rain-fed land. The March 1959 uprising of Nasirist army officers demanding that Iraq join Egypt and Syria in the UAR briefly led ‘Abd al-Karim Qasim to ally more closely with the communists. The CPI used this opportunity to organize extensively among peasants. The regime authorized the establishment of peasant societies, and Qasim addressed the founding congress of the Federation of Peasant Societies on April 15. By the end of 1959, communists had won leadership of 2,267 of the 3,577 peasant societies. The spread of communist influence in the countryside was stemmed by Qasim’s rebuff of the communist bid to share power and the repression of the party after Kurdish communists participated in a massacre of Turkmens in Kirkuk in July 1959. The second Ba‘th regime that seized power in 1968 initiated more radical and sophisticated measures, canceling compensation payments to large landowners, reducing the ceilings on ownership, and recalculating the size of plots to be redistributed to take into consideration fertility and access to water. By 1973, 22.7 percent of the cultivable land was redistributed to peasants and 34.5 percent was rented out to peasants by the State Organization for Agrarian Reform. The Iraqi land reform was more radical than those of Egypt and Syria, in part because of the influential role of the communists in 1958–59. Nonetheless, in 1972, 2.7 percent of all landowners still owned 31.3 percent of the cultivable land, including much of the most fertile lands (Gabbay 1978: 108–20, 129–31; Batatu 1978: 1116–20; Farouk-Sluglett & Sluglett 1987).

Redistribution of land in Algeria began as a revolutionary initiative of agricultural workers. During 1962, the UGTA encouraged workers to seize the farms and businesses of departed coloniaux and manage them as cooperatives. At its height, this experiment in self-management (autogestion) encompassed 30 percent of the cultivable land. The FLN originally embraced autogestion but abandoned it after 1965. The land became state property, and farms were centrally managed by the state apparatus. The 1971 Charter of Agrarian Revolution abolished sharecropping, canceled
sharecroppers’ debts, and proclaimed that absentee owners of more than 5 hectares were to be expropriated. But by 1977 only a third of some 3 million eligible hectares had been transferred to the agrarian reform sector, largely due to the resistance of medium and large landowners. Algeria was much less successful than Egypt, Syria, and Iraq in redistributing land and raising agricultural productivity (Clegg 1971; Pfeifer 1985; Ruedy 1992: 221–23).

The Kamshish Affair: agrarian reform in a culture of fear

The authoritarian-populist regimes broke the political dominance of the landed elite through land reforms, but middle and rich peasants were the main beneficiaries. In many cases, families from the second stratum of local notables under the old regimes preserved much of their wealth and influence. Agrarian bureaucracies deepened state intervention in rural life more than they empowered poor peasants. The salient example of these outcomes is Egypt’s Kamshish Affair (Ansari 1986: 19–49).

The Fiqqis were local notables in the village of Kamshish north of Cairo who had become large landowners in the nineteenth century. In the 1950s, Salah Husayn Maqlad, a member of the Muslim Brothers who had a property dispute with the Fiqqis, led the peasants in confronting the Fiqqis’ local power. The breakup of the UAR in 1961 led the Nasir regime to adopt a new ideological orientation – Arab socialism – and a new single party – the Arab Socialist Union (ASU). The new course included more radical measures against landed property; the limit on land ownership was reduced to 100 faddans. The Fiqqis’ lands were sequestered and redistributed to 200 of the 576 poor peasant families in Kamshish, each receiving an average of 2 faddans. Most of the Fiqqis were exiled from the village. Salah Husayn Maqlad was politically rehabilitated in late 1965. He became an ASU activist and resumed his campaign against the Fiqqis. This aroused the ire of the State Security Services, who accused Maqlad of spreading Marxism and advocating collectivized agriculture. On April 30, 1966, as he was returning from Cairo, where he had urged the ASU Secretariat for Peasant Affairs to expropriate the Fiqqi mansions and turn them into educational and health facilities, Salah Husayn Maqlad was assassinated.

In response to the assassination, the Higher Committee to Liquidate Feudalism was formed and charged with investigating the extent to which “feudalists,” such as the Fiqqis, had undermined land reform and Arab socialism. Members of the two recently dissolved communist parties and other leftists hoped that this signaled a firmer commitment to socialism by the regime. In fact, it was the high-water mark of Arab socialism, both locally in Kamshish and nationally.
Authorities in Kamshish opposed efforts to hold memorial meetings for Salah Husayn Maqlad, led by his wife Shahinda. In January 1967 local authorities clashed with peasants protesting against the governor’s dismissal of the local ASU secretary and arrested thirty-seven peasant leaders. None of those convicted of Maqlad’s murder in May 1968 were closely related to the most influential members of the Fiqqi family. In 1969, a court upheld Muhammad al-Fiqqi’s right to evict former tenants who occupied his land. The first desequestrations of land were announced in July 1967. The policy statement of March 30, 1968 was the first official sign of retreat from Arab socialism and the program of authoritarian-populism (Cooper 1982). It allowed so-called “feudalists” who had been investigated by the Higher Committee to Liquidate Feudalism to be elected to the ASU Executive Bureau.

Before its demise, the Higher Committee to Liquidate Feudalism reported 330 cases in Egypt’s roughly 5,000 villages where rural notables had abused their power. One such account from the Delta village of Ghazalat ‘Abdun relates that Ahmad Hasan ‘Abdun – a Wafdist parliamentary deputy before 1952 and village headman until 1955 – had violated the land-reform law by failing to report 37 faddans over the limit. The extended ‘Abdun family owned a total of 290 faddans. Ahmad Hasan had no written contracts with his tenants. He had committed eleven discrete acts of beating and torture of specific individuals and general terrorizing of the community, including burning down the warehouse of the agricultural cooperative when the clerk refused to allot him more than his quota of fertilizer. Although these incidents were known in the village, “no one dared accuse him out of fear” (Ansari 1986: 259).

The existence of only 330 reports does not demonstrate that such cases were exceptional. Rather, as Timothy Mitchell argues, the language of the report on Ghazalat ‘Abdun suggests that the peasants were dominated by a culture of fear that is obscured by the centralized conception of power, the focus on individuals to the exclusion of social classes, and the positioning of researchers as objective outsiders in most studies of peasant life (Mitchell 1991a). It is impossible to know how typical the case of Ghazalat ‘Abdun may be because a culture of fear cannot be discerned by studying the behavior and attitudes of individuals and public politics. That the full measure of coercion practiced against peasants cannot be ascertained is precisely an expression of their subaltern status.

The Higher Committee for the Liquidation of Feudalism did not mobilize and empower peasants and thus could not transform their status. Its effect was ultimately to control peasant radicalism by subjecting grievances to a bureaucratic routine whose results were subject to political bargaining. Nonetheless, its documentary record, if critically and
sympathetically interrogated, can teach us something about the role of violence in peasant life that is commonly overlooked.

**The limits of import-substitution industrialization**

Industrial, clerical, and service workers in the greatly expanded public sector typically benefited from state-led development more than peasants because of the urban bias of import-substitution industrialization. They were encouraged to join trade unions and national labor federations linked to ruling parties and states. Union members received job security, higher wages, shorter hours, health care, unemployment insurance, pensions, and access to consumer cooperatives. In exchange, they gave up internal union democracy and the right to make economic and political demands unauthorized by the regimes. The state and labor federation leaders struck a corporatist bargain which might be renegotiated if necessary, but excluded initiatives by rank-and-file workers. As in the agricultural sector, urban middle strata and the privileged sectors of the working-class benefited disproportionately from the expansion of the public sector and increased social spending (Abdel-Fadil 1980; Beinin 1989; Longuenesse 1980: 354–57; Longuenesse 1985; Bianchi 1984: 212–13, 233–37; Batatu 1978: 1095–96, 1127–29; Farouk-Sluglett & Sluglett 1987: 139–40; Alexander 1996a).

Import-substitution industrialization relies on importing machinery and sometimes also raw materials, while its manufactured products are locally marketed. The local market is protected by high tariffs and restrictions on trading in foreign currency. Hence, there is a tendency towards foreign currency shortages. The income-redistribution objectives of authoritarian populism may conflict with the need to increase investment to expand industry. These contradictions led to crises of import-substitution industrialization and state-led development in Tunisia, Egypt, and Turkey in the late 1960s. The regimes responded to these crises by imposing austerity measures and reducing social expenditures. Workers and trade unions then began to challenge the old corporatist bargains and play a more salient political role than they had done since independence. The defeat of these resistance movements was one of the markers of the end of authoritarian-populism and the emergence of anti-popular, bureaucratic-authoritarian regimes.

**Tunisia: a brief “socialist experiment”**

The Tunisian trade union federation established in 1946, the Union Générale Tunisienne du Travail (UGTT), was the strongest labor federa-
tion in the Middle East in the 1950s and 1960s. It collaborated closely with the Neo-Destour Party, which successfully negotiated independence in 1956 and renamed itself the Destourian Socialist Party (PSD) during Tunisia’s socialist phase (Alexander 1996a: 76–93).

The leading proponent of socialism, former UGTT secretary general Ahmad Ben Salah, became minister of national economy in 1961. He advocated imposing austerity measures to build socialism. Ben Salah’s principal supporters in the UGTT were the unions of white-collar civil servants. They were more willing and able to make such sacrifices than the blue-collar workers who were led by Habib Achour and loyal to President Bourguiba. The white-collar workers’ connection to Ben Salah enabled them to win pay raises for teachers and other civil servants in 1968, while the more militant and populist blue-collar unions did not receive wage increases. During the late summer and early fall of 1969 phosphate miners, railway workers, and dockers loyal to Achour launched wildcat strikes protesting against the regime’s socialist austerity program (Alexander 1996a: 109–24).

Ben Salah and his policies were dislodged by an alliance of capitalists, especially the large landowners of the Sahel, who feared he would include their lands in an expanded agricultural cooperative program, and lower-paid blue-collar workers who were unwilling to tolerate the erosion of their wages and working conditions to build a form of socialism from which there seemed to be little prospect that they would benefit. After dismissing Ben Salah, Bourguiba engineered the installation of his ally Habib Achour as secretary general of the UGTT in January 1970. The UGTT and the PSD were purged of oppositional elements. A new corporatist agreement between the UGTT and the employers’ association including a minimum wage, a small salary increase, and collective contracts was imposed in 1972. To complement these measures, in 1974 Bourguiba had himself declared “president for life” (Alexander 1996a: 151–58).

Egypt: military defeat and labor resurgence

In Egypt, unionized workers at first expressed national solidarity by supporting the austerity measures imposed after the devastating defeat by Israel in the 1967 war. The first protests against wage reductions were a response to exposures of corruption and mismanagement in the public sector in late 1968 (Posusney 1997: 142). The death of Gamal ‘Abd al-Nasir in September 1970 and Anwar al-Sadat’s consolidation of power by the arrest of leading Nasirists on May 15, 1971 created an opening to articulate economic demands that first emerged during the economic
crisis of 1965–66 but were postponed by the 1967 war and the 1969–70 war of attrition over the Suez Canal.

During 1971 and 1972, workers struck at several large public-sector enterprises: the Misr Helwan Spinning and Weaving Company, the Iron and Steel Company, and the port of Alexandria. Cairo taxi drivers, mostly owner-operators, also struck, and thousands of private-sector textile workers in Shubra al-Khayma demonstrated for higher wages. These workers’ collective actions, by far the largest since the early 1950s, were not authorized by trade union leaders. They were simultaneously a protest against the limits of the corporatist bargain struck with Nasirist authoritarian populism and a warning to Anwar al-Sadat not to roll back gains achieved under Nasirism. The government responded with a combination of conciliation and repression. The General Federation of Egyptian Trade Unions (GFETU – al-Ittihad al-‘Amm li-Niqbat ‘Ummal Misr) denounced the August 1971 strike of the Iron and Steel Company workers. Several strike leaders were fired, and many were transferred to other workplaces. The ASU unit in the plant was dissolved, and the local union leaders were isolated. Prime Minister ‘Aziz Sidqi personally went to Shubra al-Khayma after the demonstrations there and promised to raise the minimum wage and improve sick-leave policy for private-sector workers (‘Adli 1993: 267–68; Baklanoff 1988: 215–24).

The strikes and demonstrations of the early 1970s were accompanied by a resurgence of former communists who won leadership positions in several local unions and national federations in the July 1971 elections. One of them, Ahmad al-Rifa‘i, was positioned to become the GFETU president. Instead, he and other like-minded leftists supported President al-Sadat’s candidate, Salah Gharib, hoping that avoiding a clash with the regime would encourage al-Sadat to expand trade union freedoms and their room for political action. After briefly collaborating with the leftists who supported his election, in March 1973 Gharib purged them from the GFETU executive committee and canceled both the annual convention and the executive committee elections. The political miscalculation of these leftist labor leaders strengthened Gharib’s hand and deprived the rank-and-file upsurge of potential organizational and political support. The GFETU became a reliable element of al-Sadat’s ruling coalition. It nominally opposed but did not mobilize resistance to the rollback of Nasirism (Posusney 1997: 95–100).

**Turkey: radicalization of the labor movement**

The Justice Party (JP), which opposed the orientation of the 1961 constitution, came to power in Turkey in 1965 and tried to reimpose tighter
control over labor. Turkish Labor Party supporters and other radicals in
the Türk İş federation were isolated. In 1967 they broke away and formed
the Confederation of Revolutionary Trade Unions (DİSK – Devrimi İşçi
Sendikaları Konfederasyonu). The JP then amended the electoral law to
reduce the parliamentary representation of the TLP and enacted a trade
union law granting Türk İş a virtually exclusive right of representation
and participation in policy making in return for moderation in collective
bargaining and exercising the right to strike. In response to these threats
to pluralism and democracy in the labor movement, DİSK led the most
substantial popular challenge to a corporatist bargain between labor and
a regime anywhere in the Middle East.

On June 15–16, 1970, over 100,000 workers blocked the Istanbul–Ankara
highway and immobilized the entire Istanbul–Marmara region. They
battled the police and army with clubs in what the regime described as
“the dress rehearsal for revolution.” Student-based new left groups, ima-
gining that this was the case, began to rob banks, attack American in-
stitutions, and kidnap American soldiers. These adventurist actions
undermined and discredited the workers’ social movement, which contin-
ued to grow nonetheless. From January 1 to March 12, 1971, more days
were lost to strikes than in any full year since 1963 except 1966 (Margulies

The military coup of March 12, 1971 attempted to control social con-
fl ict and political violence by declaring martial law and banning the TLP.
The coup broke the student new left. But the workers’ movement, after a
decline in the mid-1970s, resumed with greater strength at the end of the
decade.

The demise of the left–nationalist/Communist
historical paradigm

Popular struggles from the mid-1930s to the 1950s compelled authoritar-
ian-populist Arab regimes, and in somewhat different terms the post-
1960 coup Turkish government as well, to acknowledge workers and
peasants as central components of the nation. Gamal ‘Abd al-Nasir spoke
often of an alliance of the army, workers, peasants, and national capital-
ists. Variations on this formula were common from the mid-1950s to the
eyear 1970s (Waterbury 1989). These regimes proclaimed that the goal of
national economic construction was improving the standard of living of
working people, especially peasants, who still comprised as much as 75
percent of the population of Middle Eastern countries in the 1960s. The
legitimacy of the regimes and the extent of popular tolerance for authori-
tarian rule depended on making substantial progress towards this goal.
Even when the limits of import-substitution industrialization were mani
 fested in stagnation or decline in the standard of living of workers and peasants in the late 1960s, the prevailing political discourse required that their existence and interests be acknowledged.

Marxists and other leftists were politically marginalized by authoritar
 ian-populist regimes. Despite their own persecution, all the Egyptian communist groups began to support the Nasirist regime based on its neutralist, anti-imperialist, and Arab nationalist policies: ʻAbd al-Nasir’s prominent role at the April 1955 Bandung Conference; the purchase of arms from Czechoslovakia in September 1955; the nationalization of the Suez Canal in 1956; and the establishment of the UAR in 1958. The independent political role of Egyptian communism was virtually ended when nearly all the communists were arrested in 1959 because they supported Iraq’s refusal to join the UAR, a move that would have weakened or liquidated the CPI. The two communist parties dissolved themselves in 1964. Many former communist intellectuals assumed leading positions in the cultural and educational apparatus of the Arab Socialist Union; working-class former party members were generally not embraced by the regime.

ʻAbd al-Karim Qasim allied with the Communist Party based on their joint opposition to Iraq’s joining the UAR. Ultimately, he was unwilling to share power and turned against the CPI in mid-1959. The Ba’thist regime of February–November 1963 that overthrew Qasim slaughtered hundreds of communists and jailed over 7,000, eliminating the CPI as a viable political force. The collaboration of remnants of the party with the second, post-1968 Ba’th regime had little impact on its character or policies.

The Communist Party of Algeria was crippled by its ties to its French sister party, which supported continued French rule as late as 1956. In July 1956 the CPA dissolved itself. Its members joined the FLN as individuals. The radical impulse of the Algerian revolution was blocked by the overthrow of the first president of independent Algeria, Ahmed Ben Bella, in 1965.

The only role open to communists and other leftists in the Arab authoritar
 ian-populist regimes was to try to push them further to the left without arousing the ire of the ruling circles. Marxist and Marxisant intellectuals were authorized to write about the history and sociology of workers and peasants and their contributions to the nationalist move
in a social realist style won official approval and popular acclaim (al-Sharqawi 1954; Idris 1959; Chahine 1958; Chahine 1979; Pontecorvo 1965). In many cases such projects were encouraged by the regimes as a way to domesticate radical intellectuals.

Most Arab Marxists embraced a strategy of stages: first the nationalist, anti-imperialist struggle, then the struggle for social progress and socialism. When it turned out that army officers were more effective than workers and peasants in overthrowing British and French imperialism and their local allies and that the Soviet Union accepted the military regimes as allies despite their refusal to adopt “scientific socialism,” the Marxists reluctantly embraced them. The regimes accepted this embrace only if the Marxists abandoned their independent outlook or submerged it far beneath the surface. The strategy of stages provided a rationale for the deferral of class struggle and allowed the Marxists to continue to imagine that they spoke in the name of workers and peasants. In this way they unwittingly collaborated with the authoritarian-populist regimes in simultaneously empowering and disempowering workers and peasants.
Since the early 1970s, the working class and the peasantry of the Middle East have been socially reorganized. Simultaneously, their political salience has been discursively reconfigured. These processes are associated with the abandonment of state-led, import-substitution industrialization and other forms of economic nationalism and populist social policies of the previous period. Middle Eastern states fitfully adopted a new orientation towards reintegration into the world economy, encouragement of private enterprise, rollback of agrarian reform, and upward redistribution of national income. The timing, motivation, extent, and consequences of these transitions varied. But the trend across the region, and throughout Asia, Africa, and Latin America, is indisputable.

Tunisia was the first country to turn away from statist development, symbolized by the ouster of Ahmad Ben Salah as minister of national economy in 1969. Egypt began to retreat from Arab socialism in March 1968, even before Gamal ‘Abd al-Nasir’s death, although the ideological elaboration of the new orientation did not occur until 1974. The 1980 military coup in Turkey brought to power a regime committed to neoliberal economic policies. Oil wealth enabled Algeria to avoid facing the contradictions of import-substitution industrialization in the 1970s and to attempt to address them on its own terms at the end of the decade. The specificities of these cases suggest that monocausal or globalist explanations for the demise of state-led development policies – the theory linking these economic changes to the transition from authoritarian-populism to bureaucratic-authoritarianism (O’Donnell 1978), interpretations stressing pressures from the United States and Great Britain during the Reagan–Thatcher era as part of an effort to roll back economic nationalism (Bello 1994), or the all-pervasive power of the International Monetary Fund (IMF) and the World Bank (Abdel-Khalek 1981a; Amin 1995; Niblock 1993) – must be modified by the particularities of each case.

The impact of global economic changes, the consolidation of power by new elites of the authoritarian-populist states, and the rise of new local
collaborators with international capital were mediated by regional politi-
cal developments: rivalries within ruling parties, the balance of social
forces, and the collective actions of workers and urban crowds, but
increasingly rarely, peasants. The political appeal of state-led develop-
ment and import-substitution industrialization was dramatically under-
mined by Israel’s massive defeat of the Arabs in June 1967. That debacle
demonstrated that Arab socialism and pan-Arab nationalism had failed to
effect a revolutionary transformation of Arab societies. They were even
weaker relative to Israel than they had been in 1948. The 1967 defeat
affected Egypt most immediately and strengthened the hand of those
advocating a reconsideration of economic and social policy. The defeat of
Nasirism and Ba’thism, suppression of the communists and the new left,
and official encouragement of political Islam redrew the political, cultu-
ral, and economic contours of the Middle East.

The demise of state-led development was reinforced by the effects of
the brief and very permeable Arab oil boycott following the 1973 war.
The consequent oil-price spike intersected temporally with the end of the
long wave of post–World War II capitalist expansion regulated by the
institutions established in the wake of the 1944 Bretton Woods confer-
cence: the IMF, the World Bank, and the General Agreement on Tariffs
and Trade, precursor of the World Trade Organization. In the industrial-
ized capitalist countries, the Bretton Woods regime consolidated a
Fordist regime of capital accumulation: industrial mass production, high
fixed-capital investment, labor control through the time–motion disci-
pline of assembly lines, wages high enough to sustain mass consumption,
and universal suffrage and parliamentary democracy. After the depres-
sion of the 1930s this was modified by various Keynesian adjustments.
The Bretton Woods system attempted to regulate the global expansion of
Fordism–Keynesianism. Its success was predicated on the preeminen-
ce of the US economy, the US dollar and US military power.

In the late 1960s and early 1970s, the Bretton Woods system began to
break down. Japan and Europe reemerged as economic powers, while the
US economy was overburdened by the simultaneous effort to fund
“Great Society” social programs and the Vietnam War. The decline in the
relative strength of the US economy was symbolized by the delinking of
the dollar from gold in August 1971. The recessions in 1974–75 and
1980–82 were caused primarily by domestic factors in the centers of
industrial capitalism: insufficient capital investment exacerbated by
Reagan–Thatcher monetarist policies designed to eliminate inflation and
break the bargaining power of organized labor. A decade of stagflation
(stagnation and inflation) – the longest and deepest recessionary period
since the end of World War II – ended the era of Fordism–Keynesianism.
The rise of OPEC in the 1960s also helped to undermine the global position of US capital by shifting the balance of power and revenue flows from (primarily US-based) multinational oil corporations to oil-exporting states. The oil-price spikes following 1973 Arab oil boycott and the Iranian revolution of 1979 were associated with – but not the direct cause – of the protracted recession that brought about the collapse of Fordism–Keynesianism. Nonetheless, the twenty-fold increase in the price of oil, from $2.00 per barrel in 1973 to $40.50 per barrel in 1981, deepened and extended the inflationary element of the stagflation syndrome.

During the oil boom of the 1970s, a deluge of petro-dollars washed over the Middle East, lubricating the transition to a new economic order. Governments of oil-exporting states (especially Saudi Arabia, Kuwait, and the United Arab Emirates, who had large oil reserves and relatively small populations to absorb them) came to control enormous concentrations of petroleum revenues. International lending to Middle Eastern countries increased dramatically, partly motivated by the desire to recirculate petro-dollars. Massive numbers of workers from countries with little or no oil (Egypt, Jordan, Palestine, Syria, Lebanon, Yemen) migrated to oil-exporting states that undertook major programs of construction and development (Saudi Arabia, Kuwait, Libya). Remittances of migrant workers effected a limited redistribution of petroleum revenues, as did Arab development aid to Egypt (until the peace treaty with Israel in 1979) and to the occupied Palestinian territories (until the 1991 Gulf War), and the export of goods and services to Iraq by Turkey and Jordan.

Multinational oil companies enhanced their profits dramatically during the oil boom and regained much of the power they had lost to OPEC and the exporting states when prices collapsed in 1985–86. Declining oil prices curtailed the development plans of oil-exporting countries and diminished their demand for labor, although Iraq’s demand for labor power to replace soldiers occupied by the 1980–88 Iran–Iraq War partially compensated for the declining demand for labor in Saudi Arabia, Kuwait, and Libya. The Gulf oil countries, and even more so Algeria, were under pressure to repay international debts contracted with the expectation of high oil revenues.

The emblem of the demise of Middle Eastern state-led development was Egypt’s open-door (infitah) economic policy announced in Anwar al-Sadat’s April 1974 “October Working Paper.” Despite this and other grand pronouncements, there was little structural change in the Egyptian economy in the 1970s and early 1980s (Richards 1991). Nonetheless, a new class of importers, financiers, middlemen, and profiteers began to
form. Some of its members were self-made; others used the assets and connections available to them as members of the managers of public enterprises; others revived and reconfigured the fortunes of monarchy-era elite families. US aid linked to the peace with Israel, oil exports, tolls from the reopened Suez Canal, renewed international tourism, and remittances from migrant workers masked the depth of the crisis of import-substitution industrialization. These service and rent activities generated sufficient hard currency to avert a crisis and enabled the government to avoid policy choices that would reduce its support from the legions of white- and blue-collar workers employed in public enterprises and the state apparatus.

The end of the oil boom in 1985–86 and the explosion of third-world debt, signaled regionally by the 1978 Turkish foreign-exchange crisis and globally by the 1982 Mexican default, made the Egyptian state more vulnerable to pressure from the new entrepreneurial class and the Bretton Woods institutions, resulting in more intense social conflict and, ultimately, a more decisive transition to the new economic order following the Gulf War. The pressures of international debt contributed to similar processes, with differences in timing due to local circumstances in Turkey, Jordan, Algeria, Tunisia, Morocco, and Israel.

Syria and Iraq do not figure prominently in this story. These regimes proclaimed their desire for economic changes and did cut back the public sector and roll back agrarian reform. State-led associations of workers and peasants were crippled in the process (Springborg 1986; Springborg 1987; Lawson 1992; Lawson 1994; Hinnebusch 1994; Perthes 1994). But the persistence of exceptionally authoritarian and patrimonial regimes preoccupied with the Iran–Iraq war, the civil war in Lebanon, and confrontations with the United States or Israel blocked the possibility of any substantial economic liberalization in Syria and Iraq in the 1980s and 1990s.

The Washington consensus

The IMF and the World Bank began to promote a neo-liberal program of export-led development, private enterprise, and integration into the world capitalist market after the “successful” policy experiment in Chile following the 1973 military coup. The debt crisis of the 1980s allowed the Bretton Woods institutions and the US government to promote this program – the Washington consensus – even more forcefully by attaching conditions to the loans offered to ease the debt crisis (stabilization). Debt-stricken countries were urged to restructure their economies to enable them to continue repaying their debts (structural adjustment).
The typical IMF/World Bank stabilization and structural adjustment program reduced state subsidies on basic consumer goods, thus raising the cost of food and other necessities, cut government spending on social services (education, health, social welfare), and reduced investments in the public sector. Workers, government bureaucrats, and others on fixed incomes bore a disproportionate share of the pain of these austerity measures. Peasant incomes were supposed to rise due to elimination of subsidies, establishment of market-based prices for agricultural goods, and opportunities to market crops freely. But capitalist agribusiness, rather than peasant families, was the main rural beneficiary of the new economic orientation.

Despite *pro forma* rhetoric about promoting economic growth and raising the incomes of the poor, in the 1980s neo-liberal policies were promoted by the Bretton Woods institutions and the US government as an end in themselves. A prominent moderate critic of the Washington consensus notes: “It is roughly accurate to argue that in the early 1980s the international financial and development agencies pressed debtor governments to subordinate virtually all other goals to stabilization and adjustment” (Nelson 1989: 14). Such single-mindedness is not simply a consequence of professional narrowness or policy errors. It is rooted in a reconceptualization of what an economy is and how and for whose benefit it functions. This discursive shift was an integral part of the social reformation of the working class and the peasantry of the Middle East and the fitful integration of the region into the new international capitalist order of post-Fordist flexible accumulation.

Fordism constructed large-scale, mass-production enterprises with a high component of fixed capital, a long time-horizon for amortization, and a strategic perspective (even if imperfectly realized) of transforming local social, cultural, and gender relations through training and employing a stable labor force and producing commodities for the local market. The post-Fordist regime of flexible accumulation entails huge state subsidies to capital, limiting workers’ rights, and an enclave strategy of locating facilities in tax-free areas (Port Said in Egypt or the Erez and Karni enterprise zones on the border of the Gaza Strip) or locations with little previously existing social fabric (Jubayl in Saudi Arabia and the new satellite cities of Cairo). Investors pursuing post-Fordist accumulation seek reduced fixed-capital investment, quicker turnaround on investment, less social commitment to the local labor force, and a global export orientation. Fordist-style production necessary for middle-class and elite consumption is increasingly relocated to Asia, Africa, and Latin America. This is no longer the leading edge of the global economy. Aside from providing employment – often less stable and with fewer social benefits than
older public sector enterprises – states are less concerned with regulating the social impact of capital on local communities.

The neo-liberal conception of an economy eliminates questions about whose interests it serves. Advocates of the Washington consensus believe that “all things being equal” economies operate according to scientific principles and that markets distribute goods most efficiently. Designating it as “science” enhances the power of this belief. Few advocates of the Washington consensus argue that an economy should privilege the interests of multinational capital and international financial institutions. It just happens to work out that way when neo-liberal policies are dogmatically applied. Those who advocate these policies are well rewarded and are subject to no democratic accountability regardless of the accuracy of their predictions. Those who do not are usually considered “second rate” or worse.

The neo-liberal belief system can never be conclusively confirmed because all things are never equal. Unpredictable political events often affect how economies operate. For example, military coups cleared the way for aggressive implementation of IMF structural adjustment plans in Turkey in 1980 and Tunisia in 1987. Cancelation of nearly half of Egypt’s $55 billion foreign debt as a political favor in return for participating in the US-led coalition against Iraq in the 1991 Gulf War opened the way to concluding a successful agreement with the IMF and gave the regime sufficient political credit to begin the long-delayed privatization of public-sector enterprises.

Lest they appear to be “unscientific,” even moderate critics commonly adopt the rhetoric of the Washington consensus. Who can oppose “economic stabilization,” or “structural adjustment”? These benign terms and others such as “reform,” “liberalization,” “efficiency,” and “rationalization” are nearly universally employed to describe the transformations envisioned by the Washington consensus. “Cutting public investments in housing, health, and education,” “upward redistribution of income,” “increasing inequality,” “diminishing the influence of trade unions and peasant associations,” “increasing the power of private capital,” and “upward redistribution of agricultural land” are more difficult to defend. Yet these are common effects of neo-liberal programs.

Proponents of the Washington consensus often argue that despite the immediate pain, these policies will promote economic growth and thereby increase the incomes of the poor in the long run. Turkey is widely considered a successful example of reform based primarily on the rapid growth in exports of manufactured goods in the 1980s, when Washington consensus policies prevailed. But economic growth from 1962 to 1977, under a regime of state planning and import substitution, was as good as
that of the 1980s. “The verdict would seem to be that expected benefits of reform and liberalization programs have at best materialized unevenly and rather slowly” (Hansen 1991: 391–95). Nonetheless, the contradictions of import-substitution industrialization may have made it impossible to sustain high levels of growth beyond the mid-1970s. No one can know yet the long-term effects of the new policy. But after a decade of structural adjustment programs, the World Bank admitted that there was no “straightforward” way to assess their success and “no conclusive evidence on growth” (World Bank 1991b: 114). Surely if a stronger case could be made for the efficacy of these policies, the World Bank would be making it loudly and forcefully.

Along with a new conception of the economy, the Washington consensus tends to eliminate workers and peasants as social categories altogether, since their very presence recalls the social compact of the era of authoritarian-populism, which the current regimes can not fulfill. One expression of this trend is the widely used textbook *A Political Economy of the Middle East* (Richards & Waterbury 1990). The first edition includes the subtitle, *State, Class, and Economic Development*. This was removed from the second edition, and the conceptual framework of the study was redesigned, replacing “class” with “social actors” (Richards & Waterbury 1996). This might be understood as eliminating a residue of Marxist dogmatism, although the first edition of the text was hardly sympathetic to the interests of workers and peasants and focused primarily on the role of the state in economic development. “Social actors” is an amorphous term not necessarily incompatible with the concept of class. Its main task in this context is to avoid asking: are there structural contradictions in capitalist economies, and in whose interests are such economies most likely to operate?

### Urbanization and labor migration

State-led, import-substitution industrialization was overwhelmed by massive urban–rural migration. Industrial development could not provide enough employment opportunities for rapidly growing urban populations. Vast shanty-town districts – *gecekondu* in Turkey, *bidonvilles* and *gourbivilles* in North Africa, *sarifas* in Iraq, and the medieval cemeteries on the eastern edge of Cairo – overpowered states’ distributive capacities, resulting in declining standards of education, housing, health, and sanitation services in urban peripheries.

Algeria, which had virtually no industry before independence, is the most dramatic example of the general trend. From 1954 to 1984 nonagricultural employment increased from 330,000 to 2,555,500. This impres-
sive growth was inadequate to absorb all the new urban job seekers. Unemployment rates remained very high during the expansionary phase of import-substitution industrialization – 22 percent in 1977 and 18 percent in 1984 – and rose to 24 percent in 1990 when state-led development was in serious crisis (Pfeifer 1996: 30).

In Egypt, the most populous Arab country, the nonagricultural wage-labor force grew from just under 4.5 million in 1973 to just over 7 million in 1986, while nonagricultural union membership increased from about 1.5 to 2.5 million. Despite the high rate of urbanization, the average annual increase of membership in industrial and blue-collar service unions in Egypt from 1971 to 1987 was only 3.2 percent – the lowest rate of growth in all the sections of the General Federation of Egyptian Trade Unions except agriculture (Posusney 1997: 114–15).²

A high proportion of new urban dwellers as well as many veterans engaged in services, small manufacturing, and petty commerce – activities often designated as the “informal sector” of the economy. This category, nearly impervious to statistical measure, obscures considerable unemployment, underemployment, unpaid labor of women and children, and irregular financial transactions. Workers in the informal sector rarely joined trade unions. They became part of an urban mass that expressed its disapproval of open-door economic policies by refraining from political participation, collaborating with the black market and other activities that undermined official economic policies, and, in extremis, joining in urban riots.

Unemployment, low wages, and lack of access to agricultural land impelled workers and peasants to migrate in search of work. The number of North Africans seeking work in France rose sharply after 1947. Turkish workers began migrating, primarily to Germany, during the European economic expansion of the 1960s (see table 6.1). The recessions of 1974–75 and 1980–82 reduced the demand for Turkish workers. Nonetheless, by 1983 there were over 2.1 million Turks, 4.5 percent of the population, in Europe (European Trade Union Institute 1988: 22). Turkish labor migration to Libya, Saudi Arabia, and other Arab countries in the 1980s partially offset the decline in migration to Europe.

Rapid population growth and inadequate new job opportunities in non-oil-exporting countries intersected with the huge demand for labor in oil-exporting countries embarking on development projects financed by the explosion of petroleum revenues to produce an unprecedented wave of Arab labor migration. Egypt was the largest Arab labor exporter during the peak of oil-induced migration from the mid-1970s to the mid-1980s, sending workers primarily to Saudi Arabia, Libya, and Iraq (see table 6.2). Perhaps as many as 3.5 million Egyptians, about one-third of
the entire labor force, migrated during 1973–85 (Richards & Waterbury 1996: 371). Although the absolute number of migrants was lower, an even higher proportion of Yemenis and Jordanians migrated in search of work. About a quarter of the Jordanian labor force worked abroad, mostly in the Gulf, in the late 1970s; by 1988 the proportion rose to over 37 percent (Layne 1981: 9; Brand 1992: 169). As many as 30 percent of all

Table 6.1 *Turkish workers placed in positions abroad by the Labor Placement Office*

<table>
<thead>
<tr>
<th>Year</th>
<th>Number</th>
<th>Estimated annual remittances</th>
</tr>
</thead>
<tbody>
<tr>
<td>1965</td>
<td>51,520</td>
<td></td>
</tr>
<tr>
<td>1969</td>
<td>103,975</td>
<td>$169.2 million</td>
</tr>
<tr>
<td>1970</td>
<td>129,575</td>
<td></td>
</tr>
<tr>
<td>1973</td>
<td>135,820</td>
<td>$2,000 million</td>
</tr>
<tr>
<td>1974</td>
<td>20,211</td>
<td>$1,425 million</td>
</tr>
<tr>
<td>1975</td>
<td>4,419</td>
<td></td>
</tr>
<tr>
<td>1976</td>
<td>10,558</td>
<td>$983 million</td>
</tr>
<tr>
<td>1980</td>
<td>28,503</td>
<td></td>
</tr>
<tr>
<td>1988</td>
<td>53,023</td>
<td></td>
</tr>
<tr>
<td>1993</td>
<td>63,244</td>
<td></td>
</tr>
</tbody>
</table>


Table 6.2 *Arab Labor Migration*

<table>
<thead>
<tr>
<th>From</th>
<th>To Saudi Arabia 1975</th>
<th>To other Gulf countries 1975</th>
<th>To Saudi Arabia early 80s</th>
<th>To other Gulf countries early 80s</th>
<th>Total early to mid-1990s</th>
</tr>
</thead>
<tbody>
<tr>
<td>Egypt</td>
<td>95,000</td>
<td>58,745</td>
<td>800,000</td>
<td>1,150,000</td>
<td>2,500,000</td>
</tr>
<tr>
<td>Yemen(s)</td>
<td>335,400</td>
<td>25,358</td>
<td>390,000</td>
<td>420,000</td>
<td>1,250,000*</td>
</tr>
<tr>
<td>Jordan &amp; Palestine</td>
<td>175,000</td>
<td>70,367</td>
<td>140,000</td>
<td>227,850</td>
<td>over 320,000*</td>
</tr>
</tbody>
</table>

Notes:
* Before the 1991 Gulf War
1 Sudan is next largest labor exporter
2 Egypt sent as many as 1,250,000 workers to Iraq during the height of the Iran–Iraq War (1980–88)
3 Libya has imported 250,000–300,000 Egyptian workers annually since the mid-1970s, with some declines due to political crises
Sources: Birks & Sinclair 1980; Owen 1985; Richards & Waterbury 1996; Stevenson 1993; Feiler 1993
Yemeni adult males were abroad at any one time in 1970s and 1980s (Stevenson 1993: 15). In the mid-1980s, when oil-boom-induced labor migration peaked, there were over 5 million migrant Arabs working in the Gulf countries and some 2.5 million North Africans working in Europe (World Bank 1995a: 6). The Tunisian Ministry of Social Affairs estimated that migrants comprised 11.6 percent of the total labor force (Radwan et al. 1991: 23–24).

Remittances of migrant workers contributed substantially to alleviating the foreign-currency shortages associated with import-substitution industrialization. Before the expulsion of some 1 million Yemeni workers from Saudi Arabia in retaliation for their government’s failure to support the US-led assault on Iraq in 1991, remittances comprised as much as 20 percent of the GDP in former North Yemen and 50 percent of the GDP in former South Yemen (Stevenson 1993: 16). In Turkey, remittances offset the cost of 15 percent of all imported capital goods and covered the trade deficit in 1972 and 1974 (Ahmad 1993: 177). Declining remittances after 1974 contributed to the 1978 foreign-exchange crisis that was resolved by imposing neo-liberal policies after the 1980 military coup. Egypt’s foreign-exchange shortage was alleviated by increasing labor migration in the 1970s and 1980s. By 1988, when at least 20 percent of the Egyptian labor force was employed abroad, annual official transfers of migrant workers were about $3.2 billion; unofficial transfers were estimated at $2–4 billion (Roy 1991: 552, 579). These transfers comprised the single largest source of foreign exchange and contributed about 12 percent to the GDP in the mid-1980s. In Egypt, as elsewhere, labor migration absorbed a substantial amount of potential unemployment and it provided relatively high incomes to landless peasants who might otherwise have been forced into lives of extreme misery as migrant agricultural laborers (Toth 1999).

The macroeconomic balance sheet of labor migration is mixed (Ibrahim 1982: 551–82; Richards & Waterbury 1996). In Egypt it had a small positive impact on alleviating poverty but a negative effect on income distribution (Adams 1986: 9). Whatever its ultimate contribution to economic growth, labor migration was a substantial factor in the social reformation of the working class and peasantry. The number of agricultural workers declined 10 percent in Egypt from 1975 to 1978, 23 percent in Syria from 1975 to 1979, and 40 percent in Iraq from 1973 to 1977 (many were replaced by Egyptian migrants) (Paul 1981: 4–5; Springborg 1987: 16). The combination of rapid urbanization, the declining role of agriculture in national economies, high levels of unemployment and underemployment, and the possibilities of labor migration made organizing workers and peasants as a social and political force extremely difficult.
The continuity and effectiveness of communities and institutions and traditions of collective action that might have facilitated such organization were undermined.

Women in the wage-labor force

Turkey, Egypt, and to a lesser extent other regimes pursuing import-substitution industrialization mobilized women for national economic development by adopting forms of state-sponsored feminism. Inconstant commitment of the regimes and inadequate job opportunities produced only limited successes in drawing women into the wage-labor force. By the late 1970s and mid-1980s female wage-labor-force participation was 3.3 percent in Jordan, 4.4 percent in Algeria, 6.2 percent in Egypt, 13.3 percent in Tunisia, and 21.9 percent in Turkey. The proportion of females in production work was even lower, ranging from 1 percent in Jordan to 17 percent in Tunisia and a high of 23 percent in Morocco. In 1984–85 only 5.8 percent of economically active women in Egypt and 7.6 percent in Turkey worked in manufacturing, compared to 16.8 percent in Mexico and 25.8 percent in South Korea. A very substantial proportion of economically active women worked as unpaid family workers, most commonly in agriculture – 36.3 percent in Egypt and 67.7 percent in Turkey (Moghadam 1993: 40, 44).

In Egypt the Nasirist regime legislated equal education and wages for women and guaranteed jobs to all high school and university graduates; these rights were expanded in the al-Sadat era. Many working-class and lower-middle-class men and women benefited from these policies. The state became the largest employer of women, typically as clerical workers in the state apparatus or public-sector firms (Hoodfar 1991: 108). Though it was economically necessary, many such women were conflicted about the propriety of working outside the home. Some expressed their ambivalence by donning the “new veil,” although they did not necessarily become Islamic political activists or more pious than women in similar circumstances who did not veil (Macleod 1991).

Some Islamist groups advocated removing women from the wage-labor force as a solution to male unemployment. Their arguments did not prevent women from seeking employment when jobs and a supportive political environment were available. State intervention and the availability of suitable work were more powerful factors in shaping women’s employment opportunities than interpretations of the requirements of Islamic tradition (Hammam 1977; Quataert 1991; Moghadam 1993: 65; Khater 1996: 325–48). However, it is likely that, at least for a certain period, ambivalence about working outside the home inhibited some
women’s identification with their workplaces and limited their participation in trade unions and work-related collective action.

Sectoral labor shortages created by migration were often filled by women. In Jordan, where the number of women in the wage-labor force was relatively low, 14.4 percent of employees in establishments with five or more employees were women in 1976; only a year later the proportion rose to 18.1 percent. They were concentrated in public administration, communication, education, clerical work, administration, and finance. Most of the very small number of women who worked in manufacturing establishments were employed in the textile sector. Their numbers increased somewhat after the 1994 Jordanian–Israeli peace treaty due to subcontracting by Israeli textile firms (Saliti 1997). Women commonly worked for piece rates and were subjected to patriarchal and other extra-economic control mechanisms. Only 23 percent of the women in a sample surveyed in 1977 were members of trade unions (Layne 1981: 20–22).

Labor migration brought many peasant women to undertake work formerly done by their husbands or brothers. Studies of two Egyptian villages come to divergent conclusions about the consequences. Fatma Khafagy believes that women were empowered by assuming new responsibilities when their male relatives were absent (Khafagy 1984). Elizabeth Taylor argues that there was no permanent shift in patriarchal family structure because men imposed the previous forms of gender relations, or even more conservative ones they learned in the Gulf, when they returned (Taylor 1984). Research conducted about the same time on a very small sample but based on observed behavior rather than interviews concludes that wives of migrating husbands who lived in nuclear families – but not women living in extended families – did have greater autonomy (Brink 1991: 206).

Male migration and economic necessity brought more women into the wage-labor force in the 1970s and 1980s. But the rate of female wage-labor-force participation remained low compared to Asia and Latin America. Many women were conflicted about working outside the home, and most remained on the margins of the wage-labor force, entering and leaving according to their family circumstances. Wage labor increased women’s autonomy in certain circumstances, but was not a liberatory panacea.

**Structural adjustment, urban collective action, and state repression**

Because national trade union and peasant federations were subordinated to ruling parties and state apparatuses, most political scientists consider workers and peasants to be insignificant in determining economic and
social policy (Waterbury 1983). Others argue that labor is a significant social and political force but focus their attention on the bargain between the leaders of national trade union federations and the state (Bianchi 1986; Bianchi 1989; Alexander 1996a; Posusney 1997). This orientation leads most political scientists to ignore the significance of collective actions of local union leaders or ordinary workers.³ Reliable information about such actions is difficult to obtain because the mass media and political action are subject to various degrees of control. Leaders of wildcat strikes and illegal collective actions are more difficult to locate and more reluctant to speak to researchers about their motives and organizational activities than trade union and government officials. The following three case studies of urban collective action have been selected because Tunisia, Turkey, and even Egypt to a certain extent were considered IMF “success stories,” while Egypt is one of the most important long-term sites of remedial Washington consensus policies (Pfeifer 1999). The cases demonstrate the social costs of this success as well as the sustained efforts of national trade union federations, local union officials, rank-and-file workers, and heterogenous urban crowds to resist the imposition of neo-liberal policies and the political order that accompanied them. Such resistance – or often simply regimes’ fears of potential resistance – altered the timing and extent to which neo-liberal programs were implemented. This affirms the continuing effect of subaltern presence in the post-Fordist era. Against a global discourse hailing the end of history and proclaiming that “there is no alternative,” urban protest was incapable of reversing the trend or articulating a comprehensive new policy.

**Tunisia: a new corporatist bargain**

Rivalries within the Union Générale Tunisienne du Travail were among the causes of Tunisia’s abandonment of its socialist experiment in 1969. The corporatist bargain between the UGTT and employers imposed by the government in 1972 did not stick because it was made by Habib Achour and other UGTT leaders loyal to President Bourguiba. Unions of teachers, bank employees, university professors, engineers, and other educated and higher paid white-collar workers – Ahmad Ben Salah’s base of support within the UGTT – began a sustained campaign of resistance to the new economic policies as soon as their economic impact was manifested. Some of the white-collar union activists had been radical students in the 1960s; others had ties to the Communist Party. Achour tried to purge these elements from the national leadership of the UGTT by eliminating the representatives of the teachers and the postal, telegraph, and telephone workers’ unions (Alexander 1996a: 179).
The central issue for labor in the 1970s was the rising cost of living. The UGTT estimated that consumer prices increased 36 percent from 1970 to 1977 while the average real wage increased only 18 percent from 1971 to 1975. White-collar workers led many of the wildcat strikes unauthorized by the UGTT central leadership throughout the 1970s (see table 6.3) (Alexander 1996a: 158–62). In 1977 the UGTT and the government concluded a social pact to which neither was fully committed. Wildcat strikes against the pact broke out, and Habib Achour defended the strikers. Rank-and-file unionists pressed the UGTT to declare a general strike against the cost-of-living increases. Achour announced his open opposition to the regime by resigning from the leadership bodies of the ruling Destourian Socialist Party (PSD). A highly successful general strike was held on January 26, 1978, accompanied by rioting of the urban poor. At least one hundred people were killed in clashes with security forces that day. In response, the government jailed Habib Achour and other UGTT leaders and imposed a new executive committee on the union. But the strikes continued (Vandewalle 1988: 607–8).

The government of Muhammad Mzali (1980–86) sought to avoid conflict with the UGTT. But in the fall of 1983 an IMF mission visited and convinced the government to adopt its recommendations to lower the budget deficit by cutting subsidies on consumer products. The cuts were announced on December 29, raising the price of bread, pasta, and semolina by 70 percent. In response, rioting began in Gafsa and other southern cities and then spread to Tunis in early January. More than a hundred people died in clashes with security forces before the price increases were rescinded.

In late 1985 the government began a new campaign of repression against the UGTT. Habib Achour was again placed under house arrest,

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<td>1970</td>
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<td>1977</td>
<td>452</td>
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<td>TOTAL</td>
<td>1,761</td>
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Source: Alexander 1996a: 160
and the union’s offices were occupied by PSD militias. During 1986 most of the UGTT leadership was imprisoned, giving the government more room for maneuver in facing its foreign-exchange crisis. The government resolved the crisis by accepting an IMF standby credit of $180 million in exchange for adopting the standard Washington consensus stabilization policy package: devaluation of the dinar, government budget cuts, liberalization of the trade regime, and a commitment to privatize public-sector enterprises.

The first priority of the new regime established by the coup d’état of Zayn al-‘Abidin Ben ‘Ali on November 7, 1987 was to implement the IMF stabilization plan. In response, there were 2,586 strikes during the next six years, far more than the 1,761 in the seven years preceding the general strike of January 26, 1978. Most were conducted without the approval of the UGTT central committee. Despite the repressive measures of 1985–86 and the active intervention of the Ben ‘Ali regime in its internal affairs, UGTT members demonstrated considerable continuing capacity for collective action. The regime faced the choice of breaking the union or enticing it into a new alliance.

The rise of the Islamic Tendency Movement and its successor, al-Nahda, as the strongest opponents of the regime in the mid-1980s tilted the balance towards the option of a renewed corporatist bargain between the regime and the union. Ben ‘Ali intervened heavily in the “renewal” of the UGTT to strengthen its secularist elements. The fight against political Islam created pressures for a new state–union alliance in which strikes over wages and working conditions became rare, and there was no longer a contest over fundamental economic policy. The UGTT embarked on a new era of collaborative relations with the government and the federation of employers. In 1992 secretary general Isma‘il Sahbani, who had been installed at the 1989 national congress consecrating the government-supervised “rehabilitation” of the UGTT, declared: “Our union . . . is trying to adapt to changes in the international economic system, the structural adjustment program, the new world order, and the market economy” (Alexander 1996b: 177).

**Egypt: an inconclusive outcome**

President Anwar al-Sadat officially introduced Egypt’s open-door policy after the crossing of the Suez Canal in the 1973 war legitimized his regime. The first protests against the new course erupted dramatically and unexpectedly with no organized support from trade union or leftist political leaders. On January 1, 1975 workers commuting to the southern Cairo industrial suburb of Helwan occupied the Bab al-Luq railway
station while others sat in at the iron and steel mill in Helwan. At the other end of metropolitan Cairo, textile workers in Shubra al-Khayma proclaimed a solidarity strike, and several mills were occupied. In addition to economic demands, workers in these actions raised political slogans, including a call for the prime minister to resign. There were other strikes and collective actions over economic issues during 1975–76 in Cairo, al-Mahalla al-Kubra, Helwan, Alexandria, Tanta, Nag‘ Hammadi, and Port Said (Baklanoff 1988; ‘Adli 1993: 268; Beinin 1994a). The strike and protest movement was concentrated among workers in large public-sector enterprises, who had been major beneficiaries of Nasirist statist development.

Egypt’s turn towards the West and continuing foreign-exchange crisis gave the IMF an opening to propose far-reaching economic policy changes. The government adopted the recommendations of a fall 1976 IMF mission to cut subsidies on bread, sugar, tea, and other basic consumer goods, announcing price increases of 25–50 percent. Urban crowds immediately responded with explosive demonstrations and riots on January 18–19, 1977 – the largest and most forceful popular collective actions since the Cairo fire of January 26, 1952. The protests were concentrated in Cairo and Alexandria but spread throughout the country, threatening to topple the regime. Factory workers initiated and played a prominent role in these actions. They were joined by students, the unemployed, and others in urban crowds. Peasants were not prominent in the events.

While President al-Sadat portrayed himself as a great liberal opposed to the undemocratic measures of the Nasirist regime, a chilly and repressive climate descended upon Egypt from the 1977 riots until al-Sadat’s assassination by radical Islamists in 1981. The regime claimed that communists and other leftists incited the riots. In fact, the legal and illegal left were surprised by the extent of popular anger and its insurrectionary character (Beinin 1994a). Nonetheless, many suspected communists were put on trial. The intellectual Marxist monthly *al-Tali‘a* (The Vanguard), which dared to explain that though it did not endorse the violence, the anger of the masses was justified, was closed. *Al-Ahali* (The People), the weekly of the legal leftist Tagammu‘ Party, was intermittently proscribed. Law 3 of 1977, a direct response to the riots, allowed the government to punish strikers with imprisonment and hard labor.

Many workers in large public enterprises did have a Nasirist or Marxist-inspired understanding of their situation. Public-sector workers were sometimes quite militant in opposing the open-door policy in the 1970s and 1980s, usually without support from the official trade union leadership. Other elements of the urban crowds in January 1977 were
moved by Islamic sentiment, which was expressed by the trashing of the 
casinos on Pyramids Road, long identified by the Muslim Brothers as 
symbols of foreign-influenced, moral dissolution. Many skilled and expe-
rienced workers, as well as unskilled workers and peasants, migrated to 
the oil-exporting countries, thus absenting themselves from the struggle 
over the open-door policy. Those in the vast “informal sector” were 
largely quiescent and difficult, if not impossible, to organize. Moreover, 
years of Nasirist repression of the left, the dissolution of the two commu-
nist parties in 1964, subsequent efforts of the leftist intelligentsia to col-
laborate with the regime, and wishful assessments of the character of the 
early al-Sadat regime by these same intellectuals meant there was no 
effective oppositional discourse articulating a political program for 
workers and their potential allies.

Husni Mubarak began his presidency in 1981 by alleviating the repres-
sive measures of the al-Sadat regime. He ordered the 1,300 political pris-
soners arrested without charges on the eve of al-Sadat’s assassination 
released. The press and opposition political parties were given more 
leeway, and an electoral alliance of the Muslim Brothers and the Wafd 
was permitted to participate in the 1984 parliamentary elections. A more 
stable and ideologically compatible Muslim Brothers–Labor Party (LP) 
electoral alliance was formed in 1987.

After their success in the 1987 national parliamentary elections, the 
Brothers–LP alliance participated in national trade union elections for 
the first time. The Islamic Current (al-Tayyar al-Islami), as the Muslim 
Brothers and their supporters are known, won control of several profes-
sional associations (Wickham 1996). But their gains in the trade unions 
were modest. Nonetheless, the Islamic Current established itself, along 
with the left, as a political tendency opposed to the state and the ruling 
party in the labor movement.

The relatively less repressive atmosphere of the early Mubarak era per-
mitted a significant increase in strikes and other workers’ collective 
action. Some fifty to seventy-five actions a year were reported in the 
Egyptian press during 1984–89 (El Shafei 1995:36). Due to censorship 
and lack of media interest, this is surely not a comprehensive tally. The 
left was an active and sometimes a leading component in struggles involv-
ing major confrontations with the state, such as the massive strike and 
uprising of textile workers in Kafr al-Dawwar in September–October 
1984, the strike at the Misr Spinning and Weaving Company in February 
1985, the railway workers strike of July 1986, and the two sit-in strikes at 
the Iron and Steel Company in July and August 1989.

Opposition forces made some headway in winning control of enter-
prise-level trade union committees in the elections of 1991 and 1996. But
they could not break the regime’s control of the GFETU at the national level. Nonetheless, both shop-floor and enterprise-level militant actions and the bureaucratic maneuvers of the GFETU leaders were a major factor delaying the full implementation of the neo-liberal economic program. Mubarak irked the IMF, the World Bank, and international financial interests by resisting their calls to further reduce consumer subsidies, unify foreign-exchange rates, and privatize the public sector until after the 1991 Gulf War.

Cancelation of half of Egypt’s foreign debt as a reward for participation in the Gulf War prepared the way for a new agreement with the IMF in May 1991. Subsequently, as foreign reserves and other macroeconomic indicators improved, the Mubarak government finally began to privatize state-owned enterprises in earnest. To encourage privatization, in 1995 the regime drafted a new Unified Labor Law that proposed to reorganize the national labor federation, eliminate the job security gained by public-sector workers in the Nasir era, and set stringent conditions for legal strikes. Reorganization of the trade union movement had long been resisted by the GFETU as well as by both the left and the Islamic Current because they feared it would diminish workers’ rights and enhance the state’s repressive capacity. After much hesitation, the GFETU leadership embraced the proposed labor legislation, hoping that it would reinforce their control over rank-and-file union members who had become alienated as a consequence of the labor federation’s weakness in defending their interests. Nonetheless, resistance by rank-and-file workers and lower-level union officials supported by both the left and the Islamic Current blocked enactment of the legislation throughout the 1990s.

**Turkey: class struggle and bourgeois victory**

Turkish import-substitution industrialization development collapsed after 1973. Increased costs of imported oil, declining remittances from workers in Europe, and reduced foreign lending and aid after the 1974 invasion of Cyprus contributed to escalating social tensions and political violence. The crisis could not be politically resolved as the Justice Party (JP) and the Republican People’s Party (RPP) battled to a stalemate.

The foreign exchange crisis of 1977–79 compelled Bulent Ecevit’s RPP government formed in January 1978 to negotiate debt-rescheduling arrangements with creditors under IMF supervision. Ecevit imposed austerity measures severe enough to cause his supporters in urban areas to defect. Strike action began to increase in 1978 and reached unprecedented proportions in 1980. As many as 500,000 people participated in
DİSK’s May Day demonstrations in Istanbul in 1976, 1977, and 1978. The 1979 demonstration was banned by martial law, a harbinger of the more systematic repression that was to follow (Margulies & Yıldızoğlu 1984: 18).

The RPP defeat in the October 1979 senate elections brought Süleyman Demirel and the JP to power. On January 24, 1980 Demirel’s economic advisor, Turgut Özal, announced his IMF-approved austerity plan devaluing the Turkish lira by over 30 percent (on top of the 43 percent devaluation previously imposed by Ecevit) and raising consumer prices by about 70 percent. Özal was aware that political pressures might not allow him to implement his plan. Political violence and strikes provided the pretext for the military coup of September 12, 1980.

The junta banned DİSK and arrested hundreds of trade union leaders. Türk İş was permitted to continue functioning. But strikes were outlawed, and an arbitration board was established to settle wage disputes. The 1983 Labor Code institutionalized labor’s subordination to capital. Both the political left and the right were smashed, as the junta strove to depoliticize Turkish society. In January 1981, a European Economic Community committee estimated that there were 30,000 political detainees, many of whom were subjected to torture. With all organized opposition broken, Özal convinced the junta to allow him to implement his economic plan without political interference (Ahmad 1993: 177–83).

Workers paid a heavy price for Turkey’s status as a Washington consensus success story in the mid-1980s. As the military regime eased its repression, they moved to recover the losses of the early 1980s. From 1987 to 1991 the average number of strikes per year was higher than the previous peak year of 1980 (see table 6.4). Even the significant wage increases in the collective-bargaining agreements of 1989–91 did not make up for the wage erosion of the previous period (Yeldan 1994: 77, 80–81).

The debt crisis set off by the oil-price spike of 1973–74 and the global recession of the mid-1970s set the international context for Özal’s imposition of Washington consensus, neo-liberal economic prescriptions. The intense social conflict of the 1970s was the local impetus for the military coup that consolidated Özal’s ascendancy and ultimately his electoral victory as leader of the Motherland Party in 1983. That social conflict is not solely an expression of class struggle. It also involved an adventurist student-based new left, a broad challenge to Kemalist secularism by Islamists, an upsurge of Kurdish ethnic sentiment and the right-wing effort to repress it, sectarian contention between sunnis and Alevi, and other social cleavages, all exacerbated by the personal rivalry between Demirel and Ecevit. Moreover, the working class was not unified.
Unionized workers were divided among DISK, which was based mainly in the private sector, Türk İş, based primarily in the public sector, and the much smaller National Action Party-led Confederation of Nationalist Workers’ Unions (MISK) and the Islamist Hak-İş confederations. Only 1.5 million of the 6 million workers covered by social security were unionized in 1980. Other cleavages within the working class included the social adjustment difficulties of migrants returning from Europe in the mid-1970s (Kara 1984). Moreover, the labor movement made little effort to form a political alliance with peasants.

Nonetheless, the increasing politicization of the labor movement, especially private-sector workers organized in DISK, and the transformation of the RPP into a social democratic party represented a significant threat...
to the Turkish business class, much more so than the new left urban guerrilla activity in the early 1970s. Both workers and industrialists benefited from import-substitution industrialization, but the populist guarantees of the 1961 constitution allowed organized workers to fight fiercely to maintain and extend their gains during the post-1973 recessionary period. The mobilization of Turkish workers from the 1960s to the 1980s more closely resembles the Marxian model of class politics than any other Middle Eastern case. Turgut Özal’s neo-liberal economic policies and political repression of the labor movement were a clear victory for capital, although the business class was unwilling to fight for it on its own because it had benefited from state-led development and had a long history of political timidity. The consolidation of a bourgeois pole in Turkish politics during the Özal decade was an unanticipated outcome of the collective action of workers and their political allies among the intelligentsia.

The rollback of agrarian reform

The agrarian reform programs enacted from the 1950s to 1970 typically favored middle and rich peasants. None carried out as radical a redistribution as South Korea or Taiwan, which might have provided land for all those who wished to farm (Mitchell 1991a). In Egypt, the guarantee of perpetual tenancy at controlled rents had a more radical effect than land redistribution. Peasants in the Fayyum region interviewed in 1989 strongly supported this aspect of agrarian reform because “before the revolution you could not speak in front of a person who had money. In the past, the peasant would rent a piece of land according to the owner’s terms. At any time the owner could kick him out and bring another peasant to farm it . . . There was no justice.” They were deeply attached to Gamal ‘Abd al-Nasir who “issued the law that said a peasant is not to be thrown out from his field . . . [and] gave life to the peasant” (Saad 1999: 391–92).

State-administered cooperatives and regulation of agricultural inputs and outputs distorted crop prices to the disadvantage of peasants. Technocratic agricultural development policies concentrated on high-visibility capital-intensive infrastructure projects such as the Aswan High Dam and land reclamation, neglecting more mundane but critical issues such as drainage and short-term production growth (Richards 1980; Pfeifer 1985; Radwan et al. 1991: 30). Import-substitution industrialization tends to disregard agriculture and peasants, and this was exacerbated during the oil boom. These problems, along with increased social power of landowners and support of the Washington consensus, generated pressures to roll back agrarian reform and encourage large-scale capitalist farming.
Large landowners, an important base of support for the PSD, rebelled against the belated inclusion of their farms in the Tunisian cooperative program in 1969. Less than nine months after large holdings were incorporated into the cooperatives, the lands were returned to their former owners. The cooperatives were gradually abandoned and their lands privatized over the next few years after the World Bank and the US government turned against the program (King 1997: 118, 128). Direct investment by the state was replaced by credit and subsidies to individual owners in order to promote capitalist agriculture. These policies increased agricultural production and average agricultural income, though part of this improvement was due to previous public investments. However, the Tunisian government’s privatization policies did not create rational, profit-maximizing peasants. Instead, they encouraged the revival of patronage and kinship networks and a moral economy drawing on Islamic norms and practices: a system of social controls tying the poor to the rich and to the state via bureaucratic and traditional welfare mechanisms.

Tunisian small peasants bore a disproportionate share of the costs of agrarian policy from 1970 on. Structural adjustment did not create new rural jobs. It accelerated rural–urban migration and the concentration of poverty in urban migrant zones. Poor farmers producing rain-fed crops did not benefit from the new agricultural price policies. Land holdings became increasingly concentrated. Although medium owners are the most efficient producers, the state consistently favored large landowners. The most intensive examination of peasant responses to the rollback of agrarian reform and the promotion of capitalist agribusiness concludes that “structural adjustment has stabilized the dominance of the agrarian upper class” (King 1997: 136).4

The Egyptian case is similar, although on a much larger scale. The al-Sadat regime undermined the power of agricultural cooperatives and tenant agrarian relations dispute committees soon after coming to power. Holdings of large landowners that had not been redistributed were desquestered in 1971. Many expropriated landlords successfully sued to regain their lands. In 1975, agricultural rents, frozen since 1952, were raised and owners were given increased powers to evict tenants. In 1981 the ceiling on private ownership of land was raised to 200 faddans for reclaimed land and was effectively abolished for corporations. A tendency towards reconcentration of agricultural land was apparent by 1982 (‘Abd al-Mu‘ti & Kishk 1992: 216–17).

The Mubarak regime went even further in dismantling agrarian reform and meeting the demands of landlords. In 1986, price controls were lifted on most crops except cotton and sugarcane. The government encouraged
cultivation of cash crops for export rather than food staples. The centerpiece of the new pro-landlord orientation was proposed legislation to decontrol agricultural rents and abolish peasants’ permanent tenancy rights. Discussions began on the draft law in 1985, though fear of peasant reactions delayed enactment of the measure until 1992. The legislation raised agricultural rents from seven to twenty-two times the land tax until October 1997 and eliminated rent ceilings entirely thereafter. It also gave landlords the right to evict tenants without cause after October 1997 and to sell their lands at market value (Hinnebusch 1993; Saad 1999).

In the summer of 1997 peasants in Bani Suwayf, Minya, Fayyum, Asyut, and Suhag provinces in upper Egypt and the Delta village of al-‘Attaf, supported by Islamist, Nasirist, and leftist political parties, protested and rioted in anticipation of the removal of rent ceilings and massive evictions of tenants. Agricultural cooperative offices were torched, at least one landlord was killed, and peasants opened fire on security forces. Fourteen people were killed, dozens wounded, and hundreds arrested (*Al Ahram Weekly* 1997: July 10–16, August 28–September 3, September 25–October 1). Nonetheless, the law was implemented on schedule.

There was a loud debate in the press in the late 1980s over the proposed decontrol of agricultural rents. But peasants had no vehicle to voice their opinions. The national press delegitimized peasant tenants, accusing them of laziness and overbearing behavior towards landowners. Rather than an expression of democratization, media discussion of the draft law demonstrated the limited channels for substantive political debate and the exclusion of peasants from the political process (Springborg 1991; Saad 1999).

Iraq is probably the most idiosyncratic case of rolling back agrarian reform because the policy cannot be attributed to either pressure from international financial institutions or a domestic class of aspiring capitalists. Policies dismantling collective farms and cooperatives, encouraging private ownership of land, and directing credit away from agricultural cooperatives were introduced in 1979. Ceilings on agricultural land holdings ceased to be strictly enforced. Controls over the cropping patterns of recipients of agrarian reform land were relaxed. In 1987, state agricultural holdings began to be sold. Crops and livestock produced by private owners using large-scale, modern, capital-intensive methods increased significantly. Wealthy urban dwellers enhanced their investment in capitalist agriculture in irrigated areas near the large cities. Although private agriculture grew rapidly in the 1980s, a new class of capitalist farmers was not consolidated before the Gulf War (Springborg 1986). There was no democratization, no development of civil society, and no marketization of the economy to any extent that the regime could not easily reverse.
Results and prospects

Even before the adoption of open-door policies, states had already sharply limited the autonomy of trade unions and peasant organizations, particularly their radical elements. The imposition of Washington consensus policies was accompanied by significant further repression and a decline in political freedom. In Turkey and Tunisia, the implementation of these policies was preceded by military coups. In Egypt, a limited democratic opening accompanied the new policies. But when the going got rough, the regime cracked down hard. Trade unionists and political leaders who opposed the new policies, whether through enterprise-level actions or national political mobilization, were repressed. Democratic openings, where they occurred, did not include the legalization of communist or Islamist parties (with the partial exception of the Welfare Party and its successor, the Virtue Party, in Turkey). The right to strike was usually limited.

Egypt, Turkey, and Tunisia recovered from the balance-of-payments crises that had prompted the imposition of Washington consensus policies. In Tunisia and Turkey, the combination of state repression, renewed social spending, and the threat of political Islam led to new corporatist bargains between the trade unions and the state, although with workers in a weaker position than in the previous era. Efforts to negotiate such a bargain began in Egypt, but did not come to fruition by the end of the 1990s, perhaps because of the relative weakness of the Egyptian labor movement. The two waves of Egyptian workers’ collective action in resistance to open-door policies – 1975–77 and 1984–89 – were much less substantial than the strike waves in Tunisia in the mid-1970s and the mid-1980s or Turkey in the early and late 1970s, late 1980s, and early 1990s. Unlike the Turkish case, the most radical actions in Egypt were concentrated in the public sector, not the growing private sector (El Shafei 1995: 36).

The riots of January 1977 in Egypt and January 1984 in Tunisia exemplify a new form of urban social protest that became common in the era of economic policy shifts inspired by the Washington consensus: “IMF food riots.” Other examples include Morocco (1981), Sudan (1985), and Jordan (1989 and 1996). The October 1988 riots in Algeria were not a direct response to an IMF-imposed program, but both the policies they opposed and the social character of the urban revolt were comparable to the new model (Pfeifer 1992). The Tunisian general strike of January 26, 1978 and the September–October 1984 strike and riot at the Kafr al-Dawwar textile mills in Egypt are mixed cases: traditional labor actions commingled with the violence of urban crowds directed broadly against the state and its symbols of authority.
The diffuse and sporadic character of these protests – spontaneous rioting or localized labor strikes rather than a sustained campaign of political and economic action – is partly the result of the structural and ideological heterogeneity of urban workers and the delegitimization of left politics in the open-door era. Collective action of unionized workers, even when well organized, radical, and militant, was only one component of popular protest against the Washington consensus. Workers were not able to organize a counter-hegemonic bloc of forces around themselves. Therefore, their collective actions could delay or modify the implementation of Washington consensus policies, but could not block them or advance an alternative economic course.

Islamist forces attempted to profit by the decline of the left, forming rival trade union federations in Turkey and Algeria and contesting elections in the state-authorized trade union federations in Egypt and Tunisia. But they failed to replace the left as the principal advocates of workers in large-scale modern enterprises (Alexander 1996a: 344, 374–78; Alexander 1996b; Willis 1996: 178; Djabi 1997; Beinin 1998b). Unionized urban workers are one of the social groups least attracted to movements of political Islam that have inspired resistance to capitalist globalization in the Middle East and beyond.

Democracy did not do well in the era of neo-liberal ascendency. Over and above the coup that brought Zayn al-‘Abidin Ben ‘Ali to power in 1987, Tunisia became more authoritarian after the wave of rural economic reorganization began in 1990 (King 1997). The Islamist al-Nahda remained illegal; there were repeated reports of the regime’s detention and torture of political opponents; and no real opposition parties participated in the 1994 elections. After July 1992, the Egyptian regime imposed a broad political deliberalization in response to the challenge of armed Islamist groups and opposition to the new economic policies (Kienle 1998). The penal code was revised to replace prison terms with forced labor. Security cases were routinely transferred to military courts with less independence than civil courts. At least 10,000 political detainees were arrested under the state’s emergency powers; many were tortured. In May 1995 a new law was enacted sharply restricting freedom of the press. It was abrogated after intense protest by journalists in 1996. Nonetheless, in 1998 two journalists were jailed for writing articles unflattering to a former cabinet minister. The parliamentary elections of 1990 and 1995 were significantly less free than previous elections and resulted in greater majorities for the ruling National Democratic Party than before.

While workers resisted Washington consensus policies to varying degrees, peasants were less engaged. In part this was due to the migration
of large numbers of landless peasants to the cities or abroad. Peasant family farms were economically and politically marginalized, further reducing the capacity of peasants for collective action. Rural areas and provincial towns provided important bases for armed Islamic insurgents in Egypt (Fandy 1994). But the activists were typically not peasants. In Tunisia, poor peasants’ protest against the inequities of structural adjustment was contained by agrarian relations promoting a revival of a moral economy – a form of state-led Islamization whose unintended consequence was that peasants became more amenable to the discourse of the regime’s Islamist opposition. Small peasants were losers from Washington consensus policies in part because they had no voice in their formulation or implementation. Peasants were not part of a ruling coalition undertaking structural adjustment in any Middle Eastern country (Waterbury 1989: 42).

Regardless of the degree of macroeconomic success or failure of Washington consensus policies, one clear consequence was the redistribution of national income away from workers and peasant farmers towards self-employed individuals and corporations. Statistics on such matters are more than usually unreliable, but the overall trend is clear. In the early 1990s real wages in manufacturing in Algeria, Egypt, Syria, Jordan, Morocco, and Tunisia were at or below their 1970 level (World Bank 1995a: 4).

In Tunisia, incomes of self-employed individuals increased 68 percent during 1970–77, after Arab socialist policies were abandoned, while profits increased over 115 percent. Income distribution grew more unequal from 1975 to 1986 as the richest 20 percent of the population increased its share of total consumption from 22 percent to 50 percent while the share of the poorest 20 percent stagnated at 5–6 percent (Alexander 1996a: 162; Pfeifer 1996: 46; Radwan et al. 1991: 49–52, 61–62).

In Egypt, real wages in the private sector rose over 50 percent from 1975 to 1985, while public-sector wages rose by more than a third. By 1990 wages had fallen to their 1972 level, and they continued to decline during the early 1990s (Soliman 1998: 36). Real wages in manufacturing, which rose nearly 50 percent from 1975 to 1982, fell 40 percent from 1985 to 1995 (Hansen 1991: 473; Kienle 1998: 233). Income distribution worsened. From 1981–82 to 1990–91 the Gini coefficient of inequality (for a definition see page 39) rose from 0.32 to 0.38 in the urban sector and 0.29 to 0.32 in rural areas. The biggest losers in this period were the middle 40 percent of households, followed by the lowest 30 percent (Korayem 1995/96: 25–26).

The Turkish statistics seem the most complete and reliable. In the
decade following implementation of Washington consensus policies in 1980, real wages in the public sector declined by 39 percent and civil service wages declined 13.5 percent. Real wages in the private sector increased by 16.6 percent. The last figure suggests an apparent success for the new economic policies, but must be judged in the context of increasingly unequal income distribution as expressed by the decline of the popular factor shares in the national income. From 1980 to 1988 the share of agriculture in the national income declined from 26.66 percent to 13.20 percent; wages and salaries, which rose steadily as a percentage of national income from 1963 to 1978, declined from 23.87 percent to 15.8 percent; rents, profits, and interest increased from 49.47 percent to 71 percent (Yeşilada & Fısunoğlu 1992: 199–200; Waterbury 1992: 66). Declining real wages in manufacturing was the main factor that enhanced the competitiveness of Turkey’s manufactured exports in the 1980s, the primary basis for neo-liberal claims to success (Hansen 1991: 415–18).

By the mid-1990s, Washington consensus policies were unable to create sufficient jobs anywhere in the Middle East to employ those excluded from the shrinking public sector or displaced from agriculture by mechanization and reconcentration of plots. Unemployment rates were higher than anywhere else in the world: about 10 percent in Turkey (down considerably from 25 percent in 1986); 15 percent in Egypt, Morocco, and Tunisia; 20–25 percent in Algeria, Jordan, and Yemen; and about 20 percent in the West Bank and Gaza Strip, frequently exacerbated by Israel’s closure of the territories (World Bank 1995a: 2; Richards & Waterbury 1996: 134).

Although low by international standards, poverty was not generally alleviated by Washington consensus policies. In Egypt the segment of the population under the poverty line ($30 a month) rose 30 percent from 1985 to 1990. During the same period poverty tripled in Jordan (World Bank 1995a: 3–5). Egyptian household income data indicate that in 1990–91 urban poverty was one-and-a-half times the level of 1980–81, while rural poverty more than doubled. Calculations based on household expenditure data yielded an increase of 20 percent in rural poverty and 84 percent in urban poverty over the same period (Korayem 1995/96: 22).

Quite exceptionally, the World Bank believes that in Morocco and Tunisia, poverty levels were reduced by nearly half (World Bank 1995a: 3–5). Samir Radwan disputes the bank’s methods for defining the poverty line and argues that in Tunisia between 1975 and 1985 poverty decreased by only one-fifth and 23 percent of all wage earners lived in poverty. Moreover, there was no trickle-down in rural areas where families owned few productive resources. The alleviation of poverty in the face of worsening income distribution in Tunisia was largely due to remittances of
migrant workers, not the internal capacity of the economy to generate well-paying jobs. In other words, the structural transformation of the economy was not self-sustaining (Radwan et al. 1991: 52–61, 89).

Washington consensus policies were certainly not the only cause of declining wages, high unemployment, and poverty. The collapse of oil prices and the return of migrant workers in the mid-1980s, the 1991 Gulf War, and the slowdown in the European and Japanese economies all played a role. These conjunctural factors intersected with the stagnation of the public sector and the inability of the private sector to provide a significant number of new high-wage manufacturing jobs.

By 1995 the World Bank had become so concerned about this state of affairs that it issued a special report asking Will Arab Workers Prosper or be Left out in the Twenty-first Century? The report made obligatory obeisance to the primacy of markets but also argued that laissez-faire policies were inadequate to set minimum standards for wages, working conditions, and collective bargaining and to reduce income insecurity. The bank called for a “broad vision of a new social contract that is realistic and capable of benefiting most workers” (World Bank 1995a: v). It is too soon to judge the extent to which the World Bank’s change of leadership and tone might effect the generally more anti-popular orientation of the IMF and the US government. The World Bank’s defection from neo-liberal orthodoxy and, much more significantly, the upsurge of popular struggle against Washington consensus policies at the turn of the twenty-first century suggest that the nearly unchallenged ascendancy of the ideology of unfettered markets and private enterprise is the product of a specific and limited historical conjuncture.